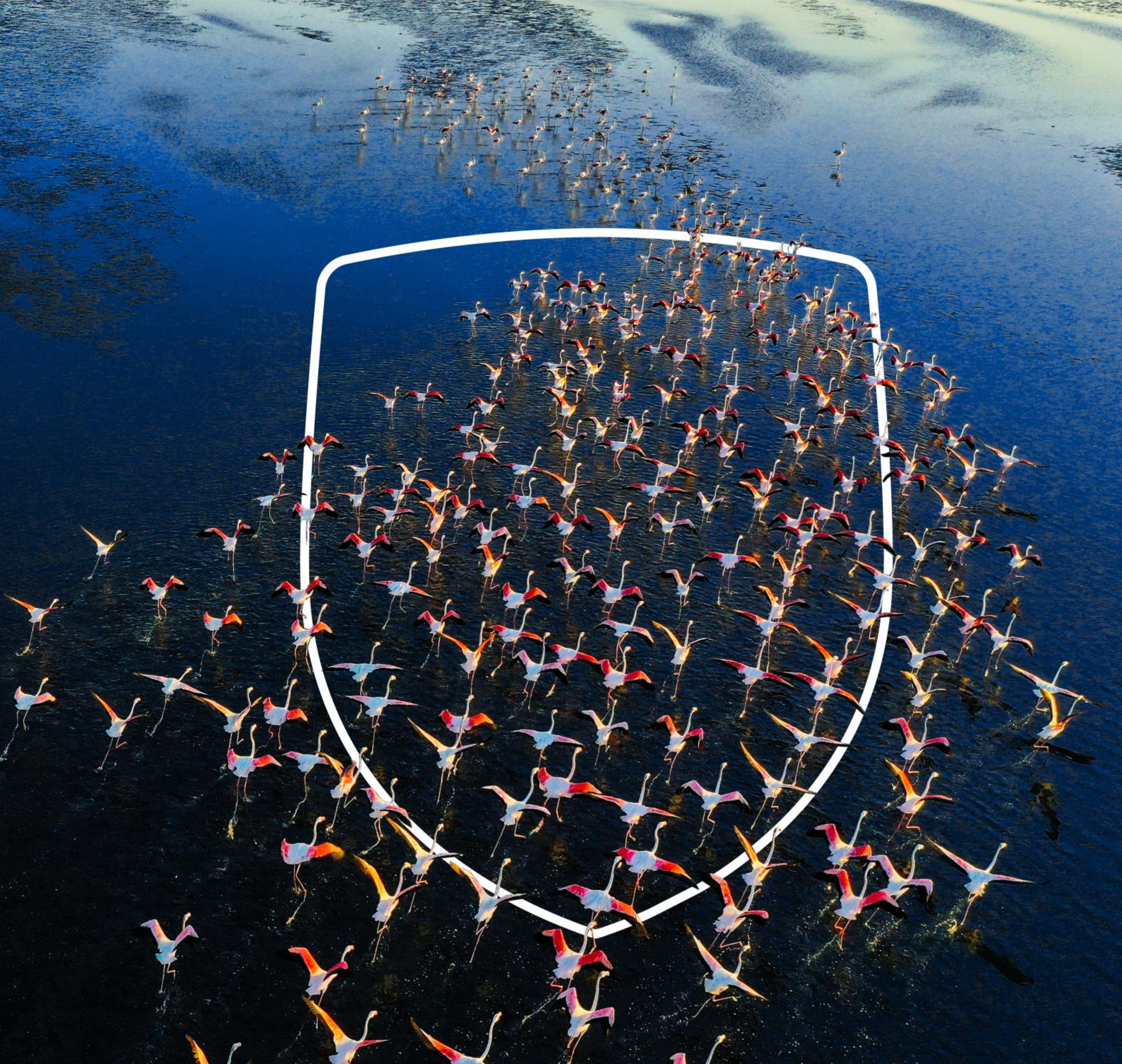
Standard Bank

STANDARD BANK GROUP

2023 ANNUAL RESULTS PRESENTATION

14 MARCH 2024



Angola
Mussulo Bay

SBG overview – FY23 and beyond

01

Franchise performance – proved resilient over time

- Our purpose, strategy and targets
- A difficult geopolitical and macroeconomic backdrop, but outlook improved as the year progressed
- A business in good health that has proved resilient over the last five years

02

FY23 financial performance and 2024 outlook – our differentiated franchise delivered a differentiated performance

- Strong performance underpinned by our robust and growing franchise
- Diversified portfolio across 4 businesses and 26 countries, all regions delivering growth
- Short term headwinds, but tracking ahead of plan so remain confident we will deliver on SBG 2025 targets

03

Competitive position – scale, diversity, resilience

- *Positive outlook over the medium to longer term:* ***+4%*** *sub-Saharan Africa GDP growth*
- *Well diversified business with unmatched scale:* **4** businesses, **26** countries, **R3.1trn** assets, **R178bn** revenue
- *Growing and engaged client franchise:* Growth in active clients across BUs, +**18.8m** (up 6%), and higher client revenues
- *Targeted technology investment enables competitiveness and resilience:* BU-led investment in client systems, improved stability and security and increasing productivity
- *Capturing opportunities linked to Africa's energy transition:* +**R50bn** sustainable finance mobilised for clients in FY23
- *Steady growth and strong momentum:* **10%** earnings CAGR[1] over 10 years, **42%** earnings contribution from Africa Regions

[1] *Compound annual growth rate*

Franchise performance

1.0

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Our purpose, strategy and targets

Our purpose:
Why we exist

Africa is our home, we drive her growth

Transform client experience

7% - 9%
Revenue growth CAGR[1]

Execute with excellence

~50%
Cost-to-income ratio[2]

Drive sustainable growth and value

17% - 20%
Return on equity

Our 2025 financial targets: *What we have committed to deliver*

[1] Compound annual growth rate from 2020 to 2025, [2] Approaching 50%

2023 – a difficult geopolitical and macroeconomic backdrop

Global

- Severe geopolitical tensions throughout the year
- In 1H23, inflation remained elevated and interest rates continued to rise
- In 2H23, central banks paused while monitoring inflation trends and developing geopolitical risks
- Inflation was stickier than expected and interest rate cuts were delayed in most markets
- GDP growth of 3.1% estimated in 2023[1]

Sub-Saharan Africa

- Serious conflicts persisted in some countries
- Inflationary pressures and monetary policy tightening
- Higher debt costs increased fiscal pressures and sovereign risks in certain countries, causing currency weakness
- Progress on Ghana's debt restructure, Kenya's funding outlook improved, Nigeria partially liberalised the Naira
- Currencies weaker on average than in 2022
- GDP growth of 3.3% estimated in 2023[1]

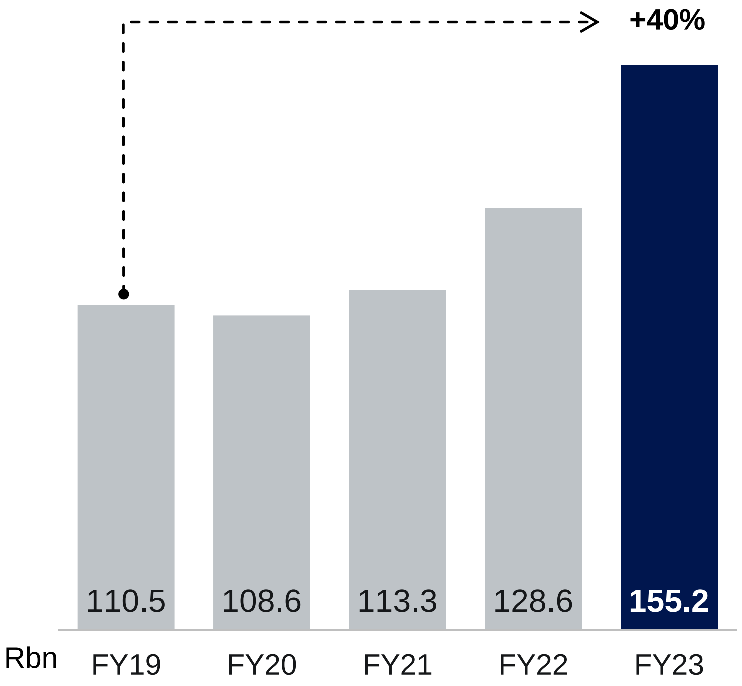
South Africa

- Electricity disruptions and logistics constraints placed pressure on businesses and corporates, though actions taken to deliver sustained improvements on both
- Inflation peaked in March 2023 at 7.1%, and then declined to end the year at 5.1% in December 2023
- Interest rates increased by a cumulative 125 basis points by May 2023; the repo rate closed the year at 8.25%
- GDP growth of 0.6% in 2023

[1] *International Monetary Fund, January 2024*

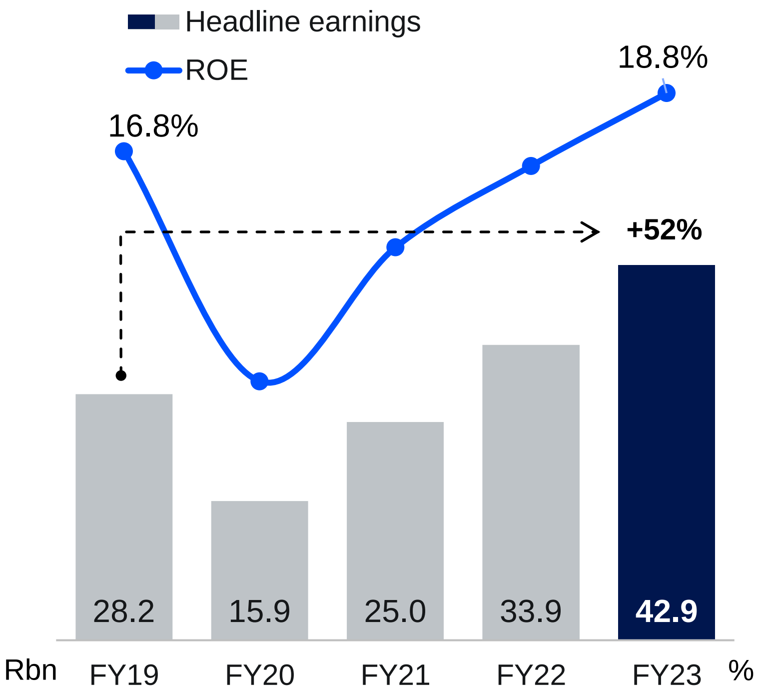
Last 5 years – a business in good health that has proved resilient over time

Total income[1]



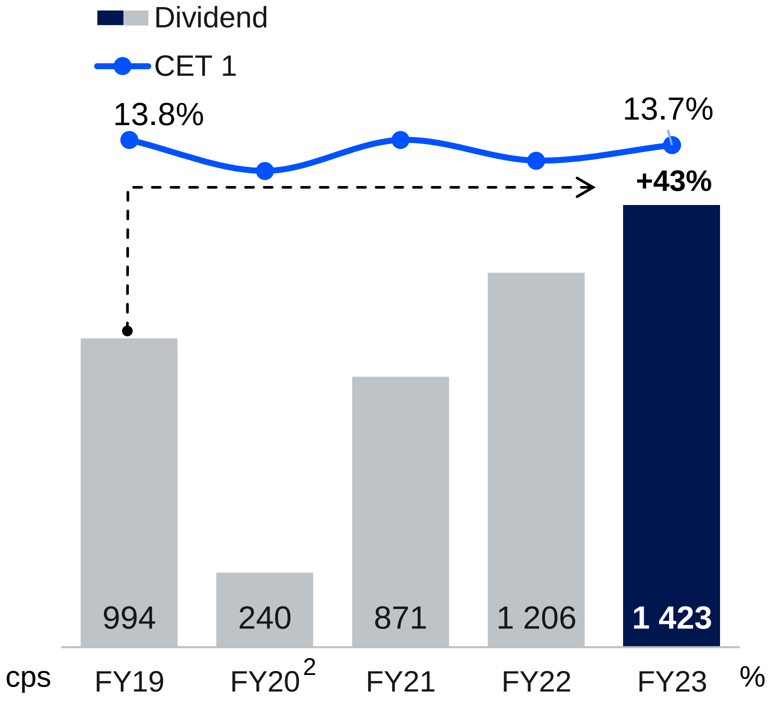
Income was resilient during the pandemic despite significant interest rate cuts, and has since accelerated

Headline earnings & ROE



Earnings and returns recovered to well above levels recorded before the pandemic

Dividend



Generated and optimised capital to support distributions to shareholders

[1] Total income for banking operations, [2] No 2020 interim dividend paid as per guidance from the South African Reserve Bank

FY23 financial performance and 2024 outlook

2.0

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[1] *Compound annual growth rate*

Group financial performance

2.1

FY23 highlights – strong performance underpinned by our robust and growing franchise[1]

Group headline earnings

FY23: **R42.9bn**
FY22: R33.9bn

↑ 27%

Banking headline earnings

FY23: **R38.8bn**
FY22: R29.6bn

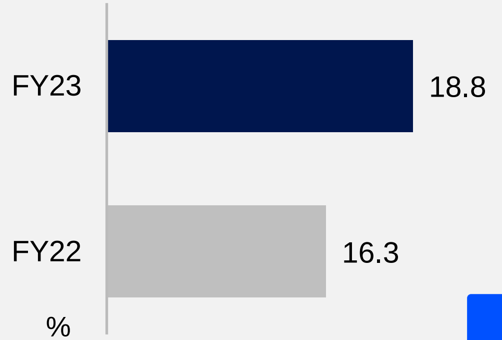
↑ 31%

Insurance & Asset Management HE[2]

FY23: **R2.8bn**
FY22: R2.3bn

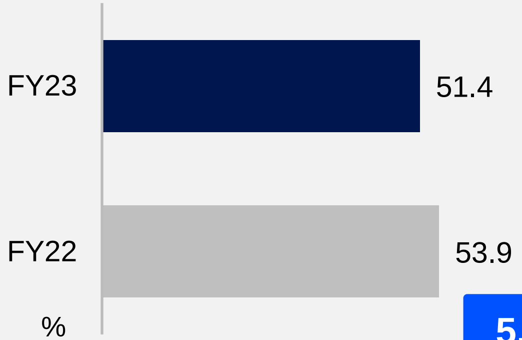
↑ 22%

Group return on equity



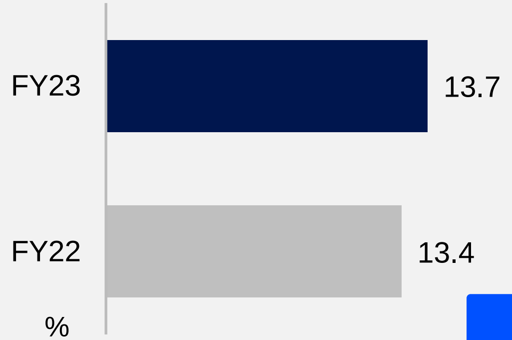
+2.5%

Cost-to-income ratio



5.7% Jaws

Group CET1 ratio



+30 bps

[1] Prior year numbers restated, refer to FY23 Financial Analysis Booklet page 111-114, [2] Headline earnings

Banking

2.2

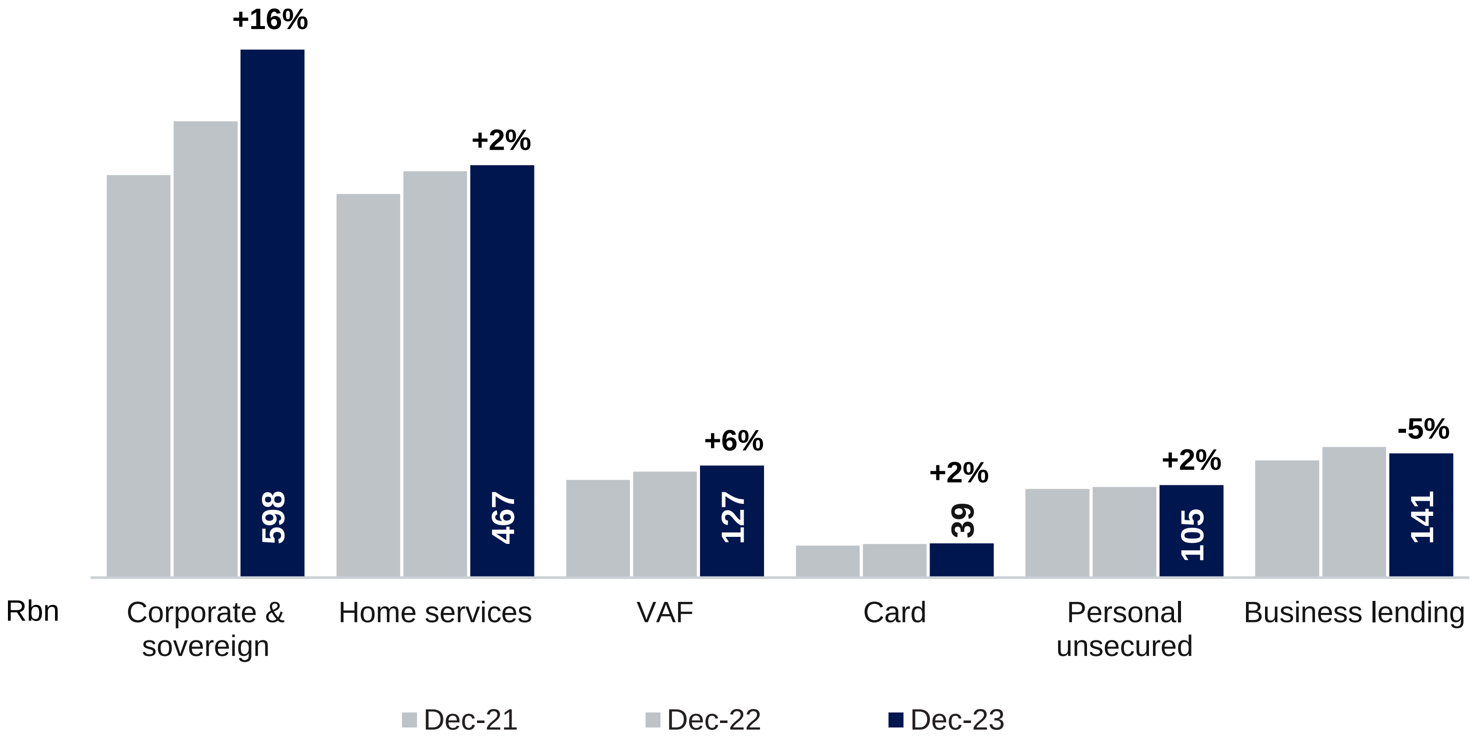
Banking overview – strong performance drove improved returns

	FY23 Rm	FY22[1] Rm	Change %	Change CCY %
Net interest income	97 495	77 953	25	30
Non-interest revenue	57 689	50 603	14	20
Total income	**155 184**	**128 556**	**21**	**26**
Operating expenses	(79 722)	(69 296)	15	19
Pre-provision profit	**75 462**	**59 260**	**27**	**35**
Credit impairment charges	(16 262)	(13 312)	22	24
Banking headline earnings	**38 842**	**29 616**	**31**	**40**
Net interest margin, bps	494	432		
Credit loss ratio, bps	98	83		
Cost-to-income ratio, %	51.4	53.9		
Jaws, %	5.7	9.0		
ROE, %	19.5	16.4		

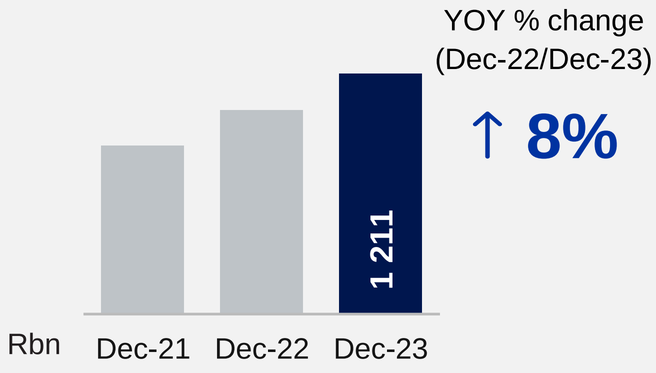
[1] *Prior year numbers restated, refer to FY23 Financial Analysis Booklet page 111-114*

Gross loans and advances to customers – growth dampened by currency movements

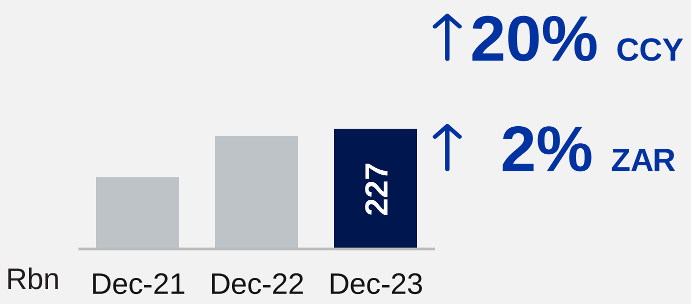
Gross loans & advances to customers by product[1], R1 471bn +6%



South Africa



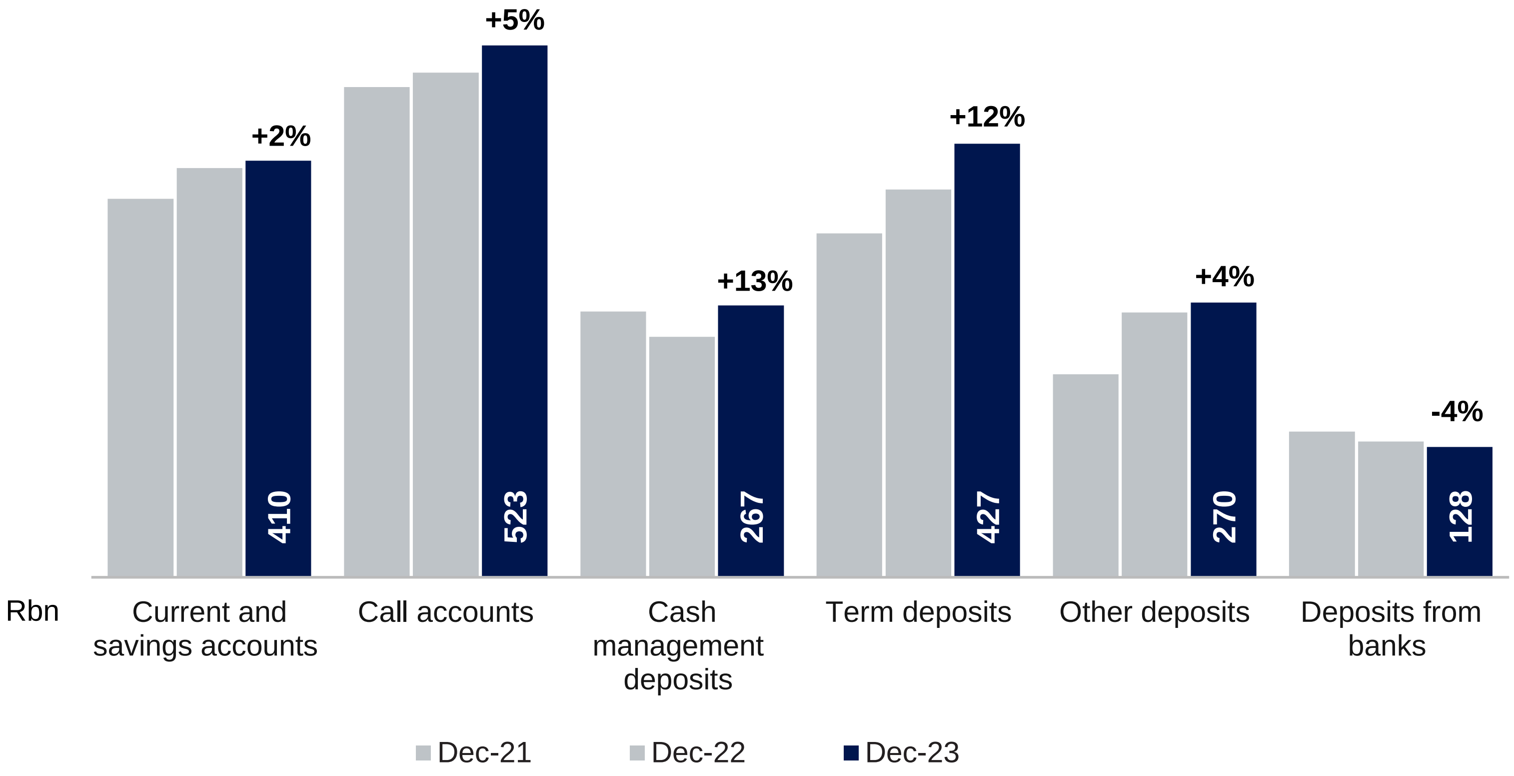
Africa Regions



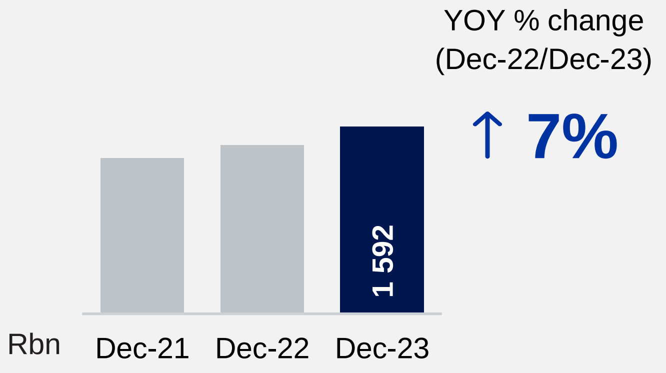
[1] *As per loans and advances on page 54 of the FY23 Financial Analysis Booklet (including centre), gross loans to banks grew by 14% to R201bn*

Deposits – growth driven by ongoing underlying client franchise growth

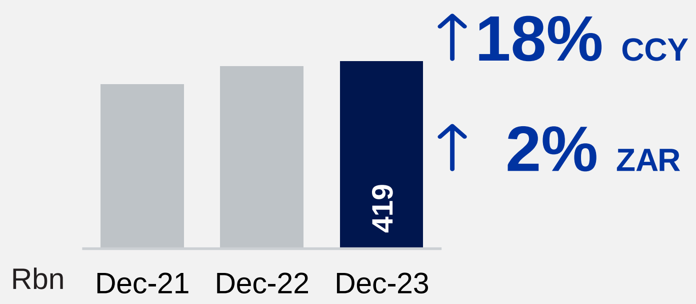
Deposits and debt funding by product, R2 026bn +6%



South Africa

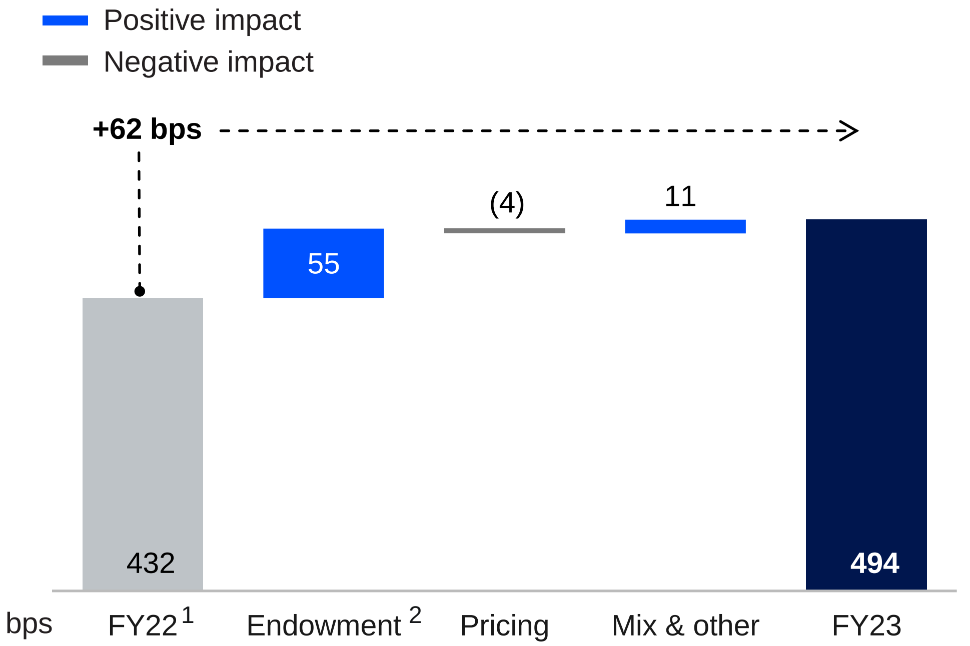


Africa Regions

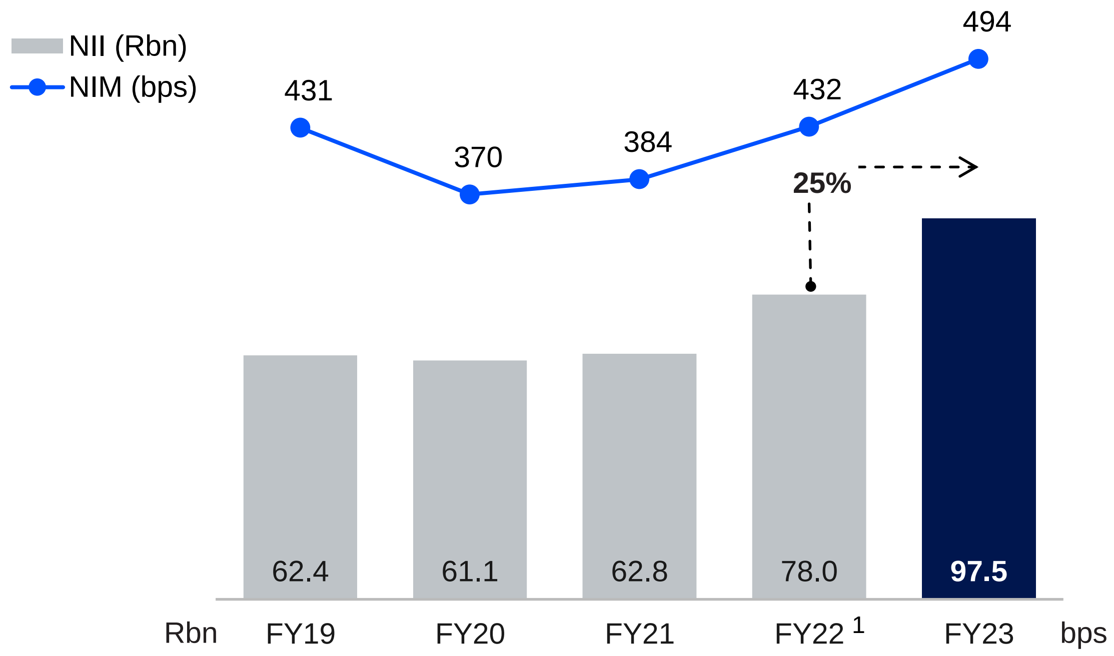


Net interest income – higher average interest rates across all regions supported strong NIM expansion

Net interest margin



Group NII and NIM trend



	FY19	FY20	FY21	FY22	FY23
AIEA[3] Rbn	1 460	1 661	1 636	1 804	1 973
AIBL[4] Rbn	1 419	1 646	1 713	1 869	2 047

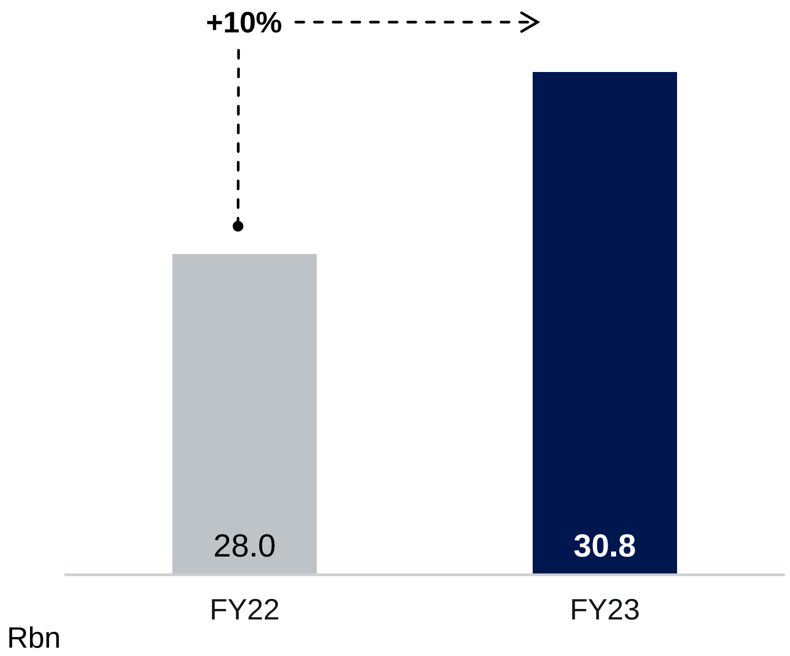
Interest rate sensitivity, Rm

2023	ZAR	USD	GBP	Euro	Other	Total
+100 bps	1 370	1 040	317	47	871	3 645
-100 bps	(1 387)	(1 226)	(289)	(57)	(932)	(3 891)

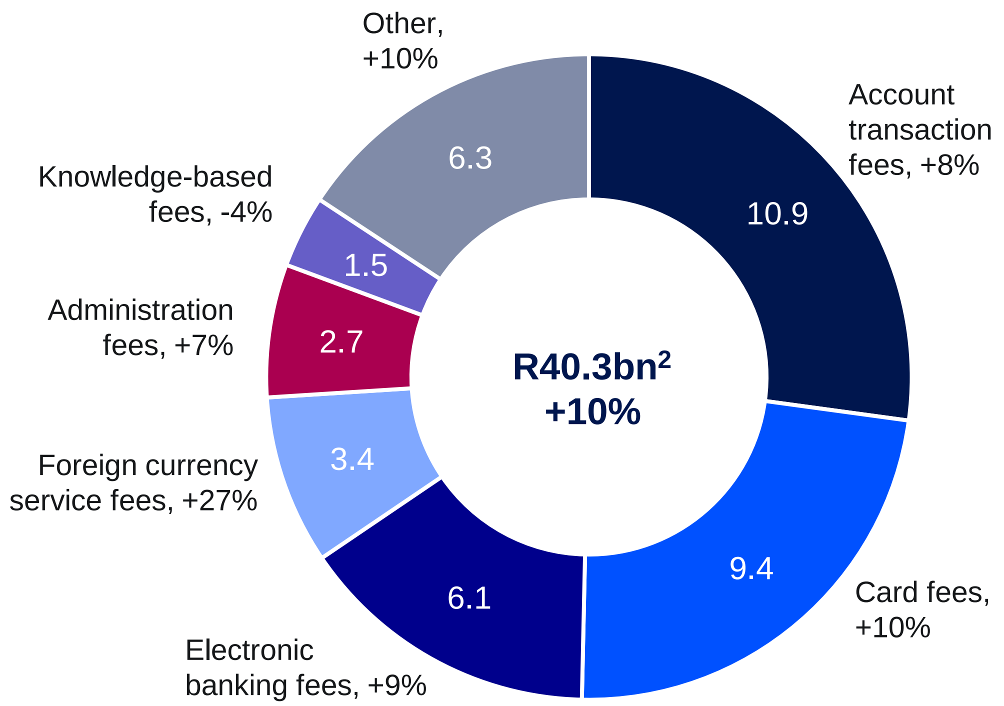
[1] Prior year numbers restated, refer to FY23 Financial Analysis Booklet page 111, [2] Endowment in FY23 was R10.8bn, interest rate sensitivity for 100 basis point decrease in the repo rate in South Africa is R1.4bn (FY22: R1.8bn), [3] AIEA – Average interest-earning assets, [4] AIBL – Average interest-bearing liabilities

Net fee and commission – healthy growth driven by increased clients and activity

Net fee and commission revenue[1]



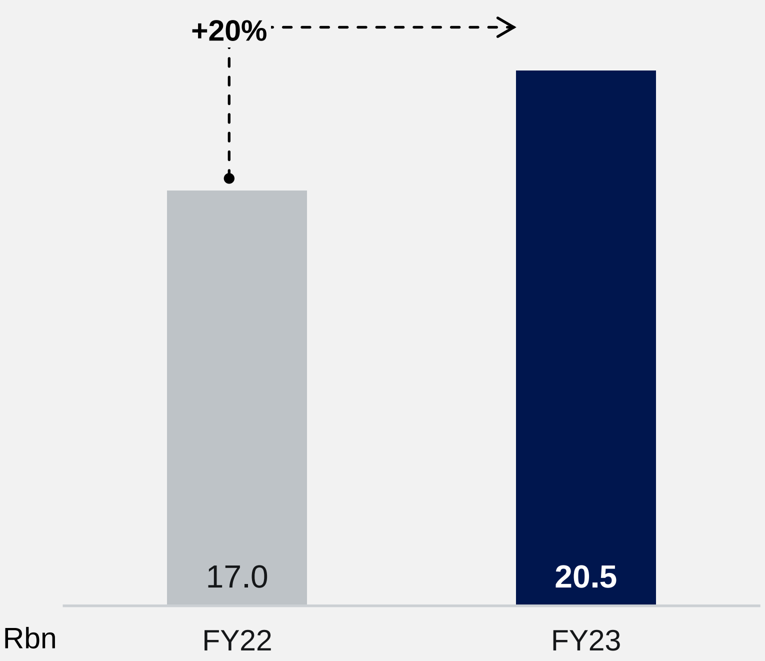
Fee and commission revenue, by category



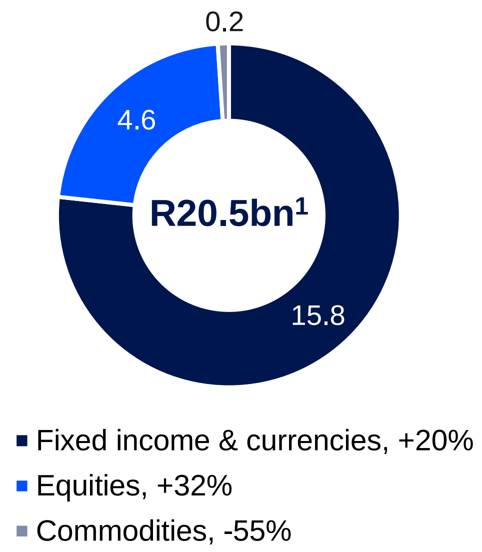
[1] Net fee and commission revenue is for banking operations, insurance and asset management related revenues have been moved from banking and are now included in IAM, [2] Excludes fee and commission expenses amounting to R9.5bn, up 9%

Trading revenue – increase linked to client flow volumes as well as market-specific opportunities

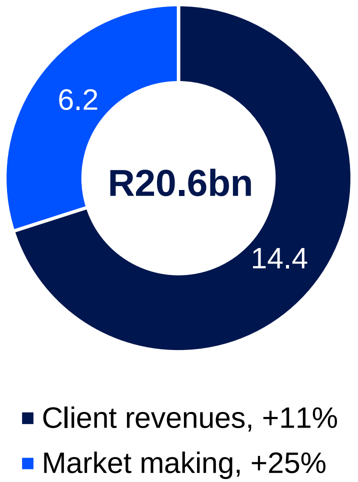
Trading revenue



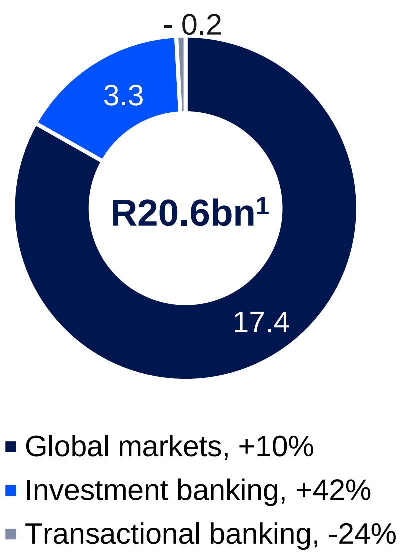
Trading revenue by product



CIB trading revenue by type



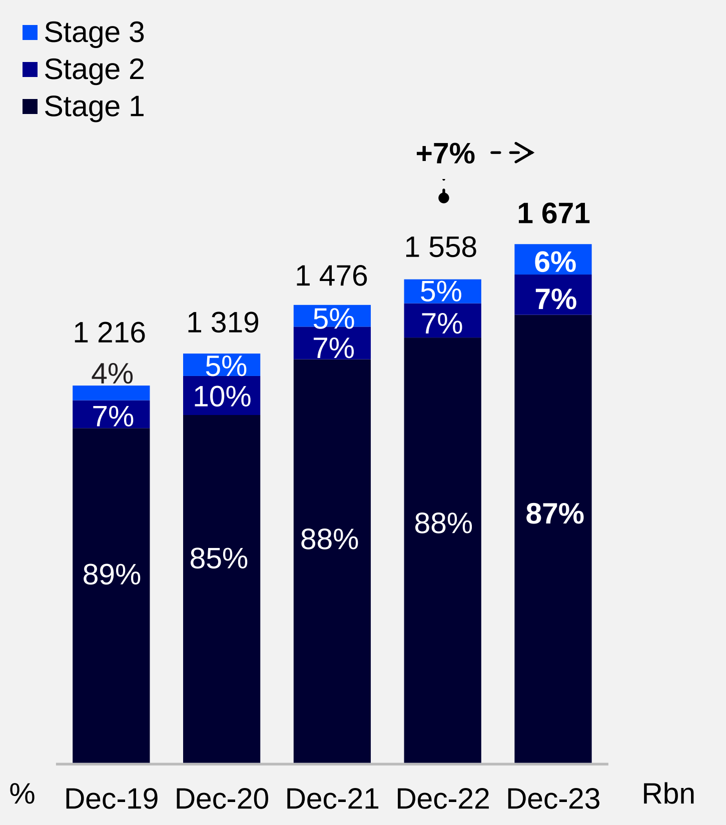
CIB trading revenue by business solution



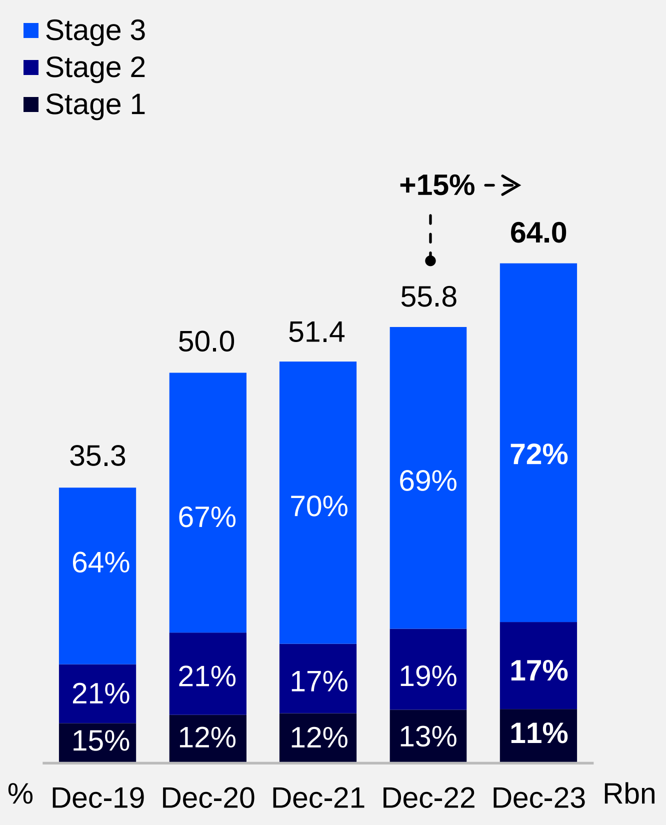
[1] *Banking trading revenue includes revenue from CIB (R20.6bn), PPB (R0.5bn), BCB (R0.2bn) and a Centre adjustment (-R0.8bn)*

Provisions – increased proportion of Stage 3 loans resulted in higher total coverage

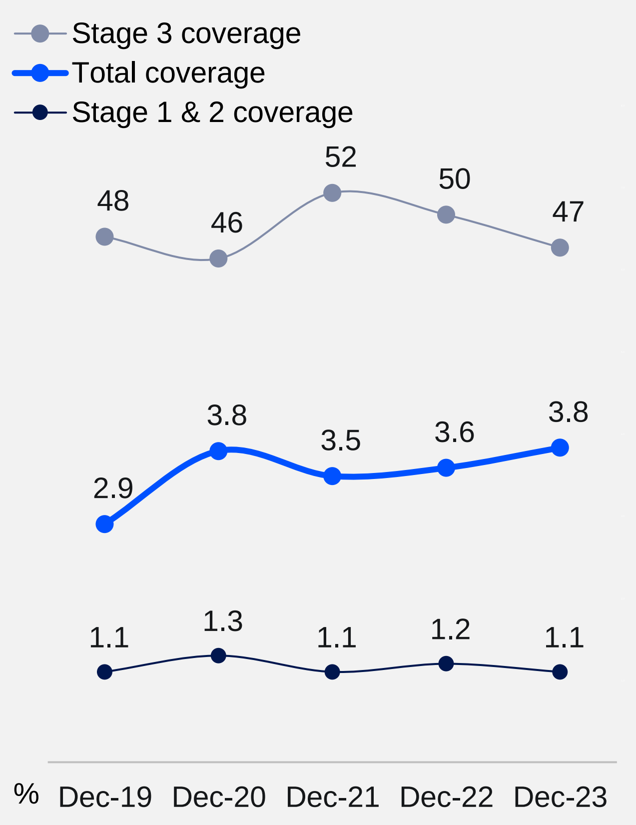
Gross loans and advances[1]



Provisions[1]



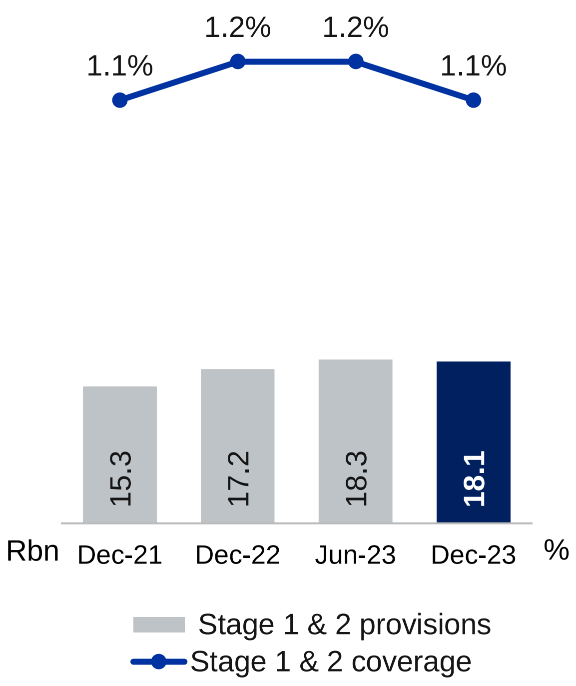
Coverage



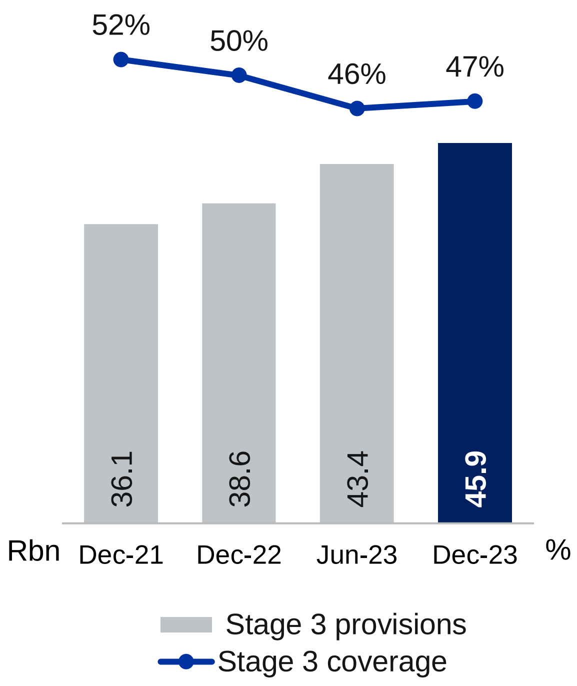
[1] Based on gross loans and advances and provisions per pages 62-67 of the FY23 Financial Analysis Booklet

Provisions – in 2H23 Stage 1 & 2 provisions were flat and Stage 3 increased

Stage 1 & 2 provisions and coverage



Stage 3 provisions and coverage



Drivers of growth

Stage 1 & 2 provisions and coverage

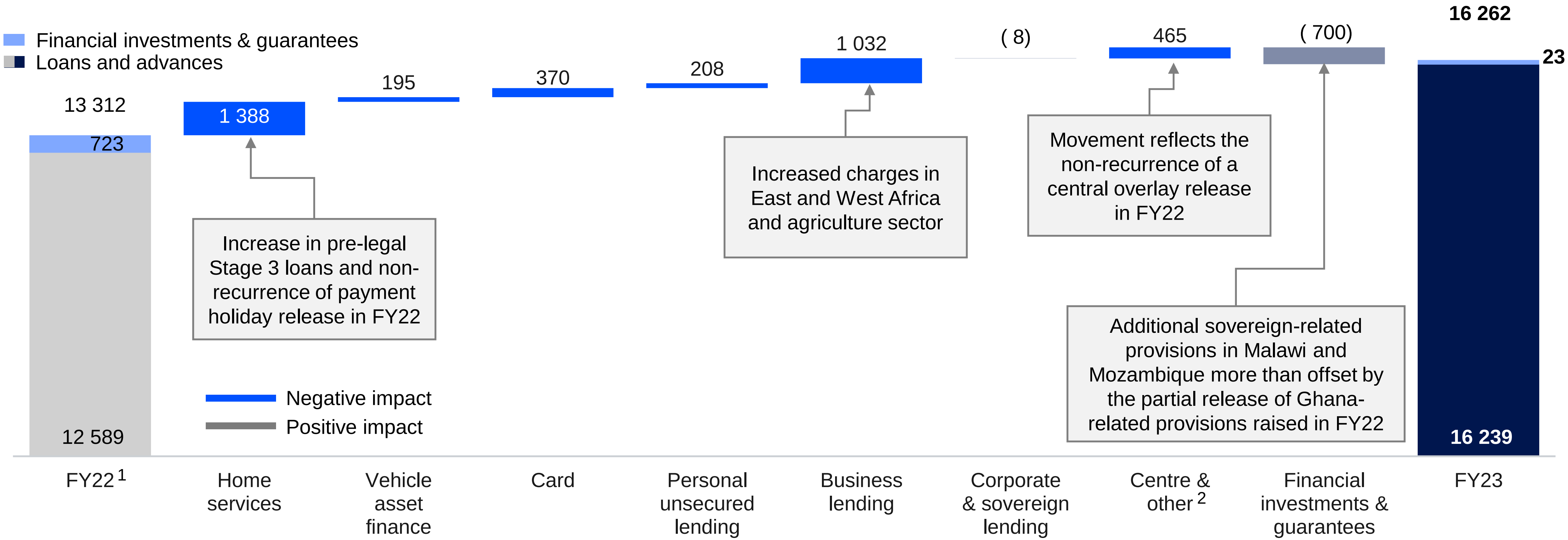
- **Provisions**: increased in 1H23 (Dec-22 to Jun-23) but were broadly flat in 2H23 (Jun-23 to Dec-23)
- **Coverage**: marginally down period on period due to a change in mix
  - Home loan provisions increased more than other products and the home loan portfolio has lower coverage due to collateral

Stage 3 provisions and coverage

- **Provisions:** increased across all products year on year
- **Coverage:** broadly flat period on period due to offsetting changes in mix
  - Decrease in home loans coverage due to an increase in the proportion of pre-legal Stage 3 home loans with lower coverage
  - Decrease in business lending coverage as older well covered Stage 3 loans were replaced with new Stage 3 loans in Africa Regions with lower coverage
  - Increase in CIB coverage following the curing of certain loans with low coverage in 2H23
  - Maintained high coverage on personal unsecured loans

Credit charges – increase driven by home services and business lending

Credit impairment charges

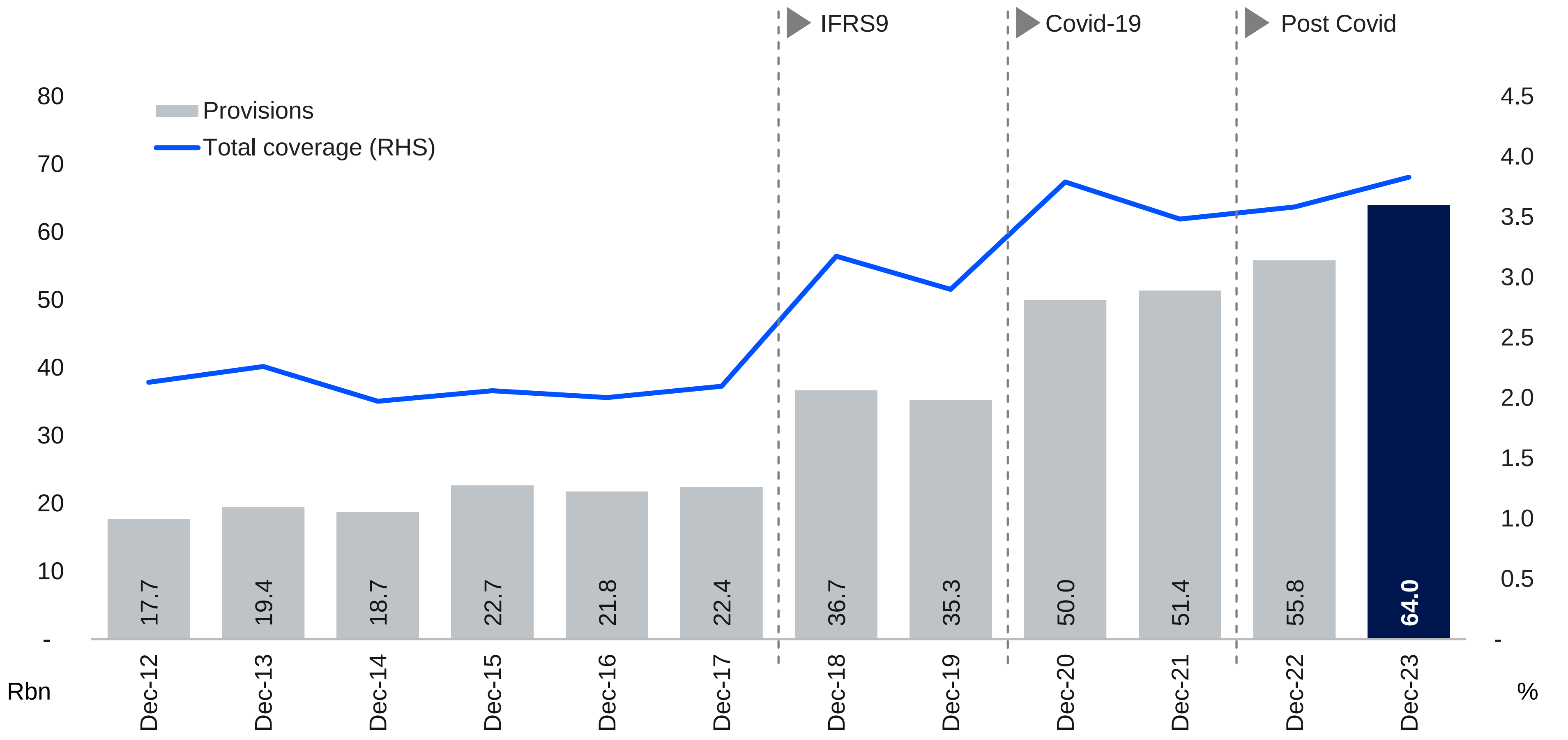


	Home services	Vehicle asset finance	Card	Personal unsecured lending	Business lending	Corporate & sovereign lending	Centre & other	Financial investments & guarantees	FY23
FY23 CLR, bps	68	156	553	412	203	30			98[3]
FY22 CLR, bps	40	149	474	395	142	37			83[3]

[1] Prior year numbers restated, refer to FY23 Financial Analysis Booklet page 111, [2] Includes net change in credit impairments on CIB bank lending of R35m (FY23 – R8m release, FY22 – R27m charge), [3] CLR calculated excluding financial investments and guarantees

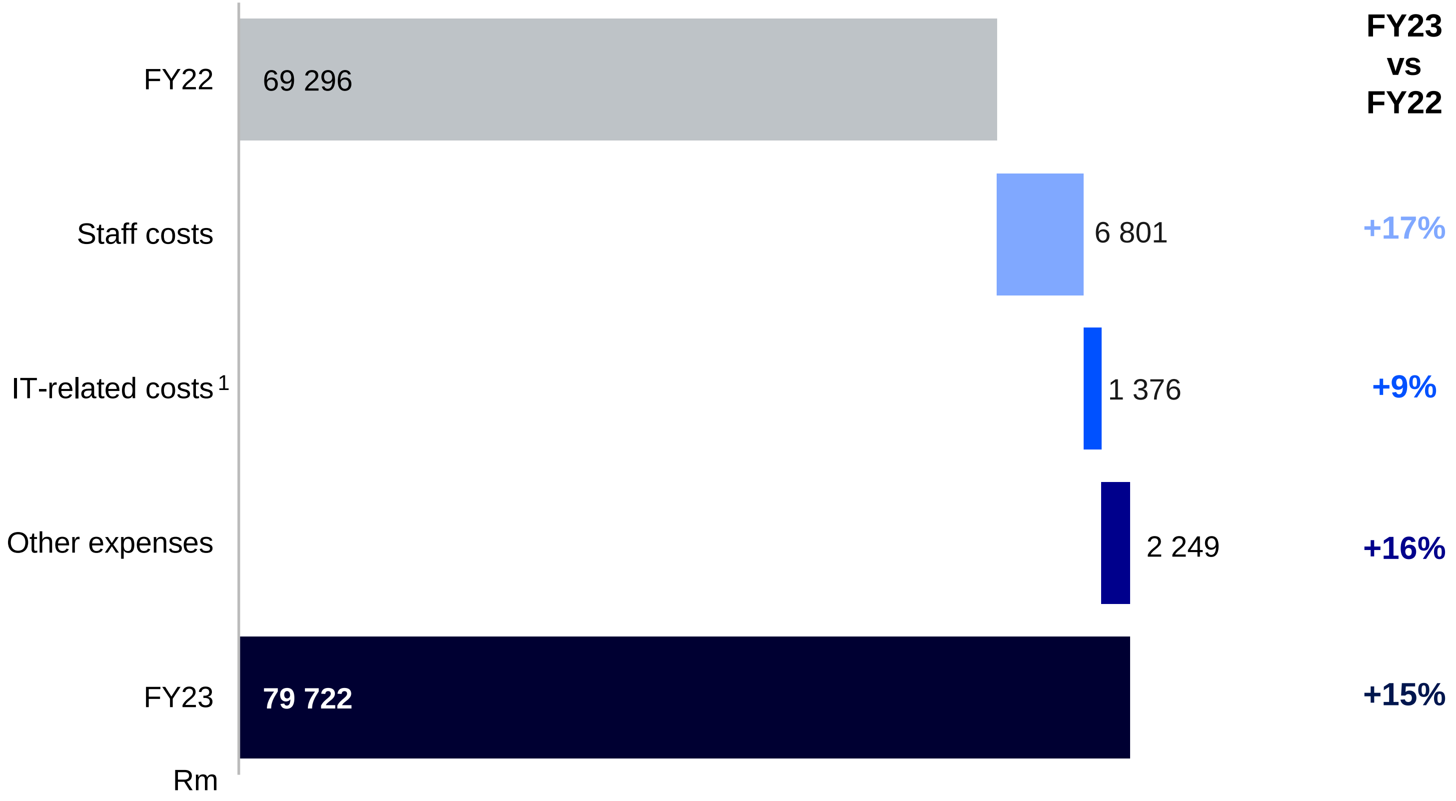
Provisions – bolstered further, driven by client strain and a difficult macroeconomic outlook

Balance sheet provisions



Operating expenses – higher cost growth was more than offset by strong revenue growth to deliver positive jaws

Operating expense movements YOY



Drivers of growth

Staff costs

- Annual increases and additional headcount in all 3 business units, including skilled IT hires
- Higher performance-linked incentives and long-term incentive award accruals linked to the group performance

IT-related costs

- Covered in slide 24

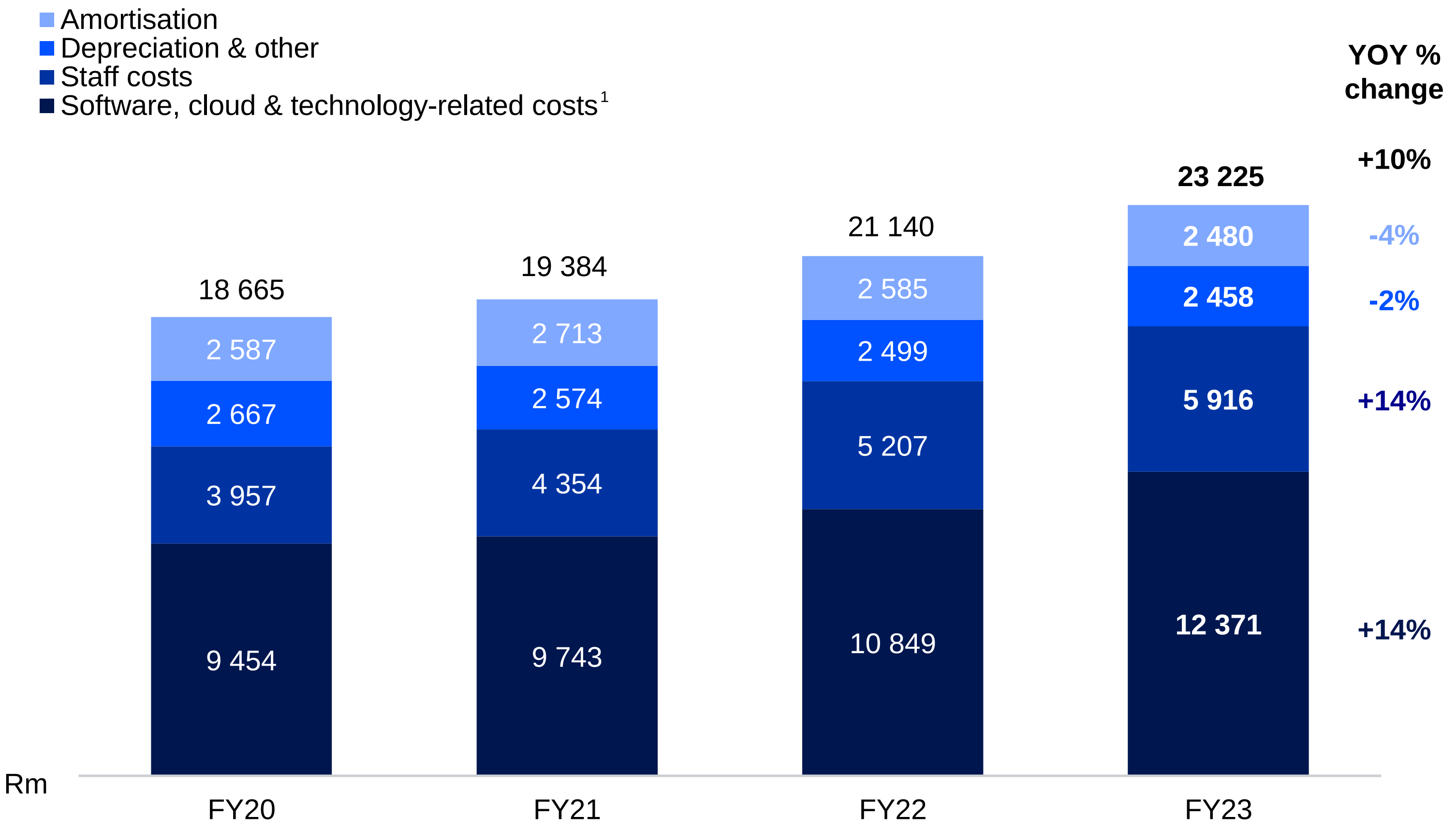
Other expenses

- Business activity-related costs: increased business activity drove higher travel and entertainment, security and deposit insurance-related costs
- Premises: higher municipal charges, particularly in Africa Regions, and additional costs of loadshedding
- Professional fees: additional legal and audit fees
- Other: higher marketing campaign costs, particularly in Africa Regions and higher training costs linked to ongoing staff upskilling

[1] *IT spend excluding IT staff costs*

IT spend – growth contained at 10%, continued to drive "save to invest" approach

Total IT spend



Drivers of growth

Amortisation

- Decline attributable the roll off of legacy intangibles and less capitalisation of new projects as we shift to a Software as a Service and Cloud model

Depreciation & other

- Lower on-premises infrastructure purchases as cloud migration accelerated

Staff costs

- Business-led investments in scarce skills, and conversion of contractors to permanent, to deliver on key client-facing systems
- Higher performance-related incentives
- Bolstered security, architecture and data capabilities and enhanced capabilities in Africa Regions

Software, cloud & technology-related costs

- Software cost growth attributed to strategic investments in new client and security applications, increased third party spend that is not capitalised, annual renewals of software licenses, and the depreciation of local currencies against USD
- Cloud costs increased as the migration accelerated

[1] *Previously referred to as Information technology*

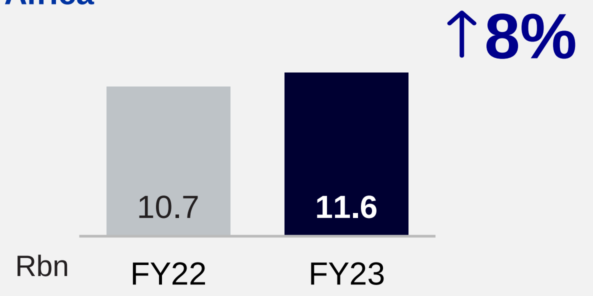
Insurance & Asset Management

2.3

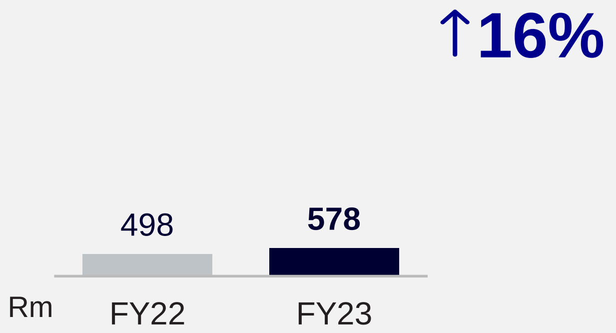
IAM – growth realised across the business despite challenging macroeconomic and business environment

Life insurance, indexed new business

South Africa

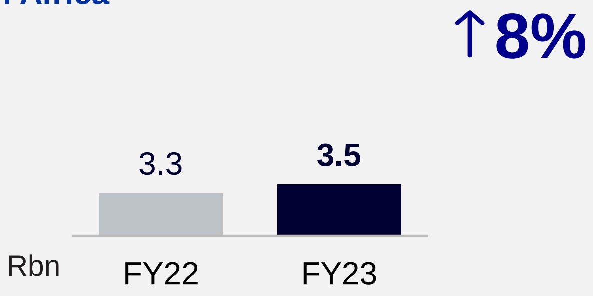


Africa Regions

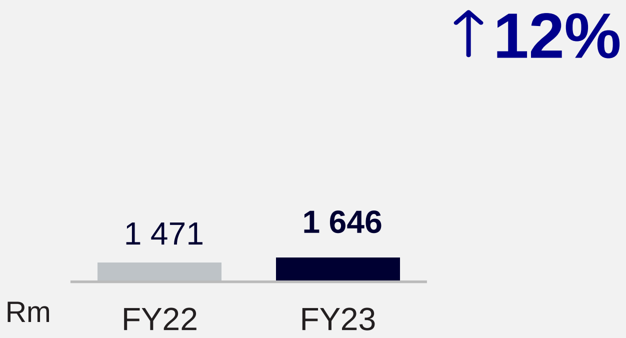


Short-term insurance, GWP[1]

South Africa



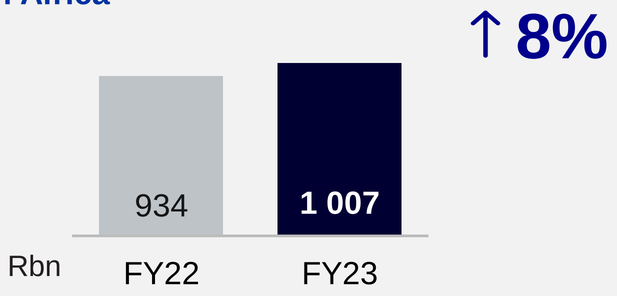
Africa Regions



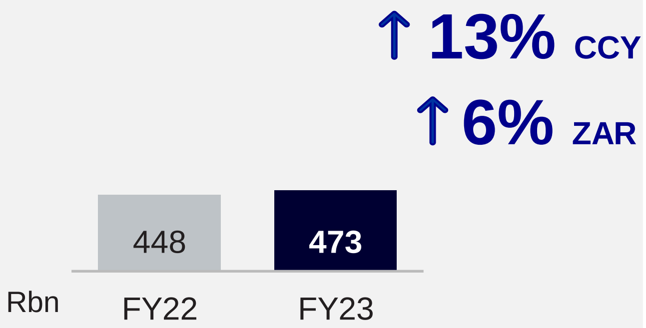
R3.0bn New business value ↑13%

Asset Management, AUM & AUA[2]

South Africa



Africa Regions



[1] *Gross written premium,* [2] *Assets under management and assets under administration*

IAM performance – continued earnings growth and capital efficiencies resulting in improved ROE

	FY23 Rm	FY22 Rm	Change %
Insurance operations	**3 883**	**3 152**	**23**
South Africa	3 948	3 113	27
Africa Regions	(65)	39	(>100)
Asset Management operations	**928**	1 155	**(20)**
South Africa	237	511	(54)
Africa Regions and International	691	644	7
Central costs, sundry income and other adjustments	(208)	(62)	>100
Total operating earnings (pre IFRS 17 adjustment)	**4 603**	**4 245**	**8**
Shareholder Assets and Exposures[1]	418	323	29
Total gross earnings/(loss) before inter-BU attribution	**5 021**	**4 568**	**10**
IFRS 17 adjustment	-	(487)	(100)
Covid-19 impact and other adjustments[2]	(71)	172	(>100)
Inter-BU attribution headline earnings[3]	(2 130)	(1 933)	10
Insurance & Asset Management headline earnings	**2 820**	**2 320**	**22**
ROE (%)	13.1	10.5	

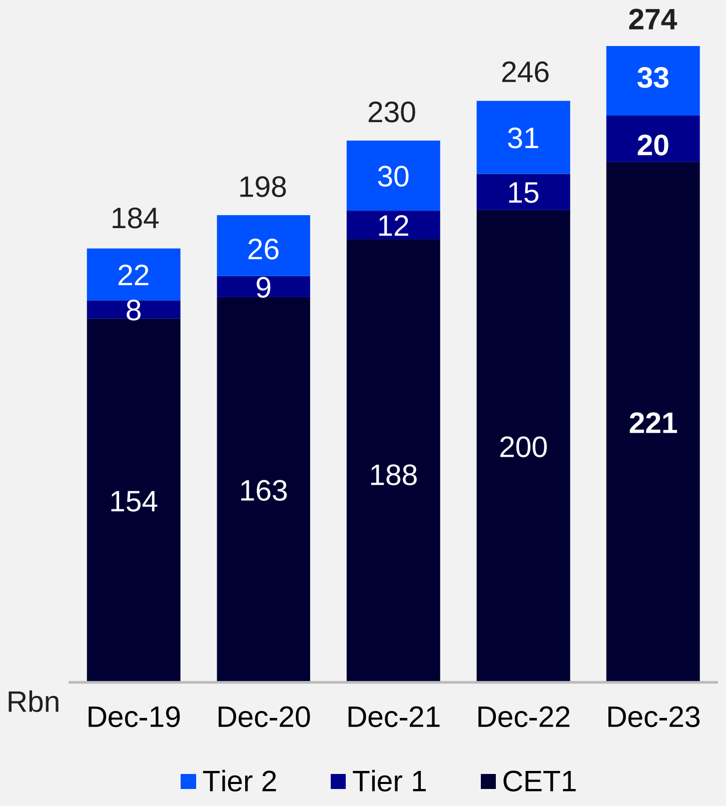
[1] Previously referred to as the Shareholder Investment Portfolio, [2] Covid-19 impact, net of taxation and non-controlling interests' share and reversal of accounting mismatch arising on consolidation of L2D, [3] Headline earnings which are attributed to PPB and BCB

Capital & returns

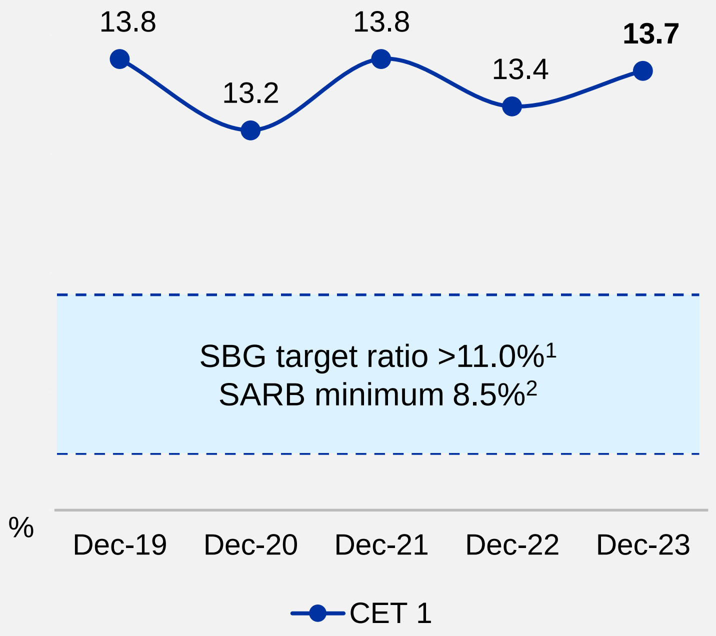
2.4

Capital and liquidity – maintained a strong position

Capital[1]



Capital adequacy[1]



Liquidity

Net stable funding ratio

121%
(FY22: 124%)

Basel III minimum 100%

Liquidity coverage ratio

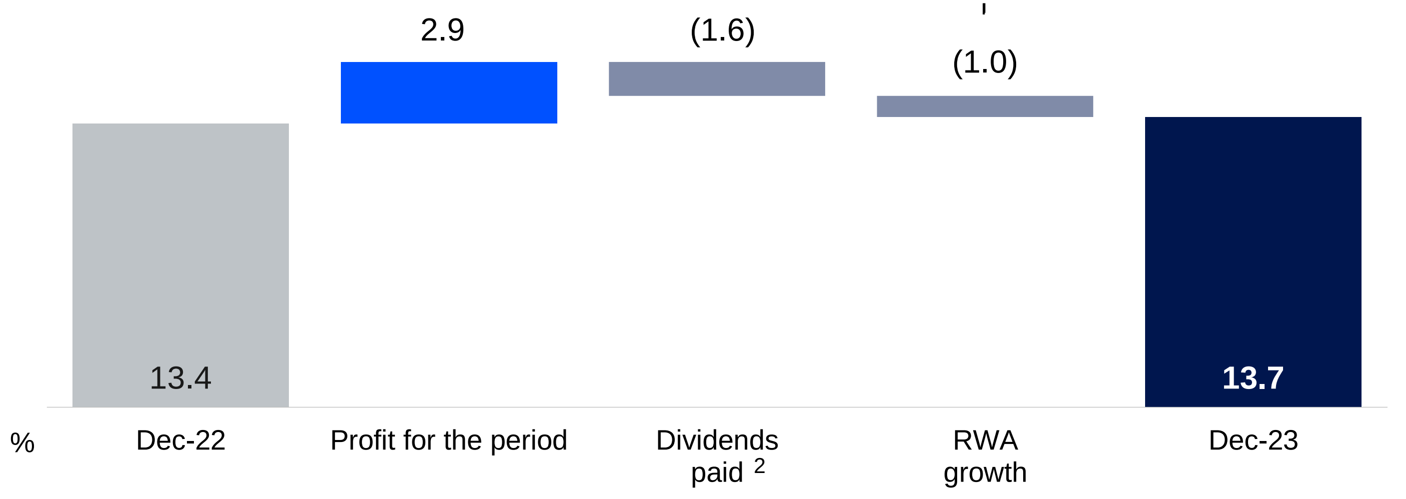
129%
(FY22:147%)

Basel III minimum 100%

[1] Including unappropriated profits, [2] Recalibrated, inclusive of Pillar 2A requirements that were reinstated by the Prudential Authority from 1 January 2022

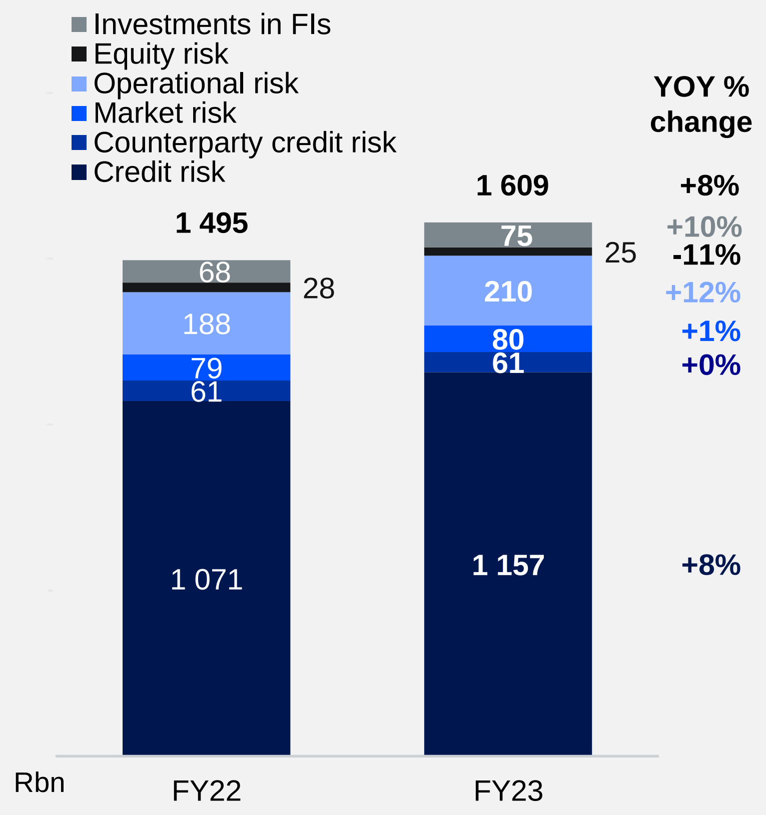
CET1 ratio – grew as capital generation outstripped dividends and RWA growth

CET 1 ratio movement[1]



	Dec-22	Profit for the period	Dividends paid	RWA growth	Dec-23
CET1, Rbn	200	44	(23)		221
RWAs, Rbn	1 495			114	1 609

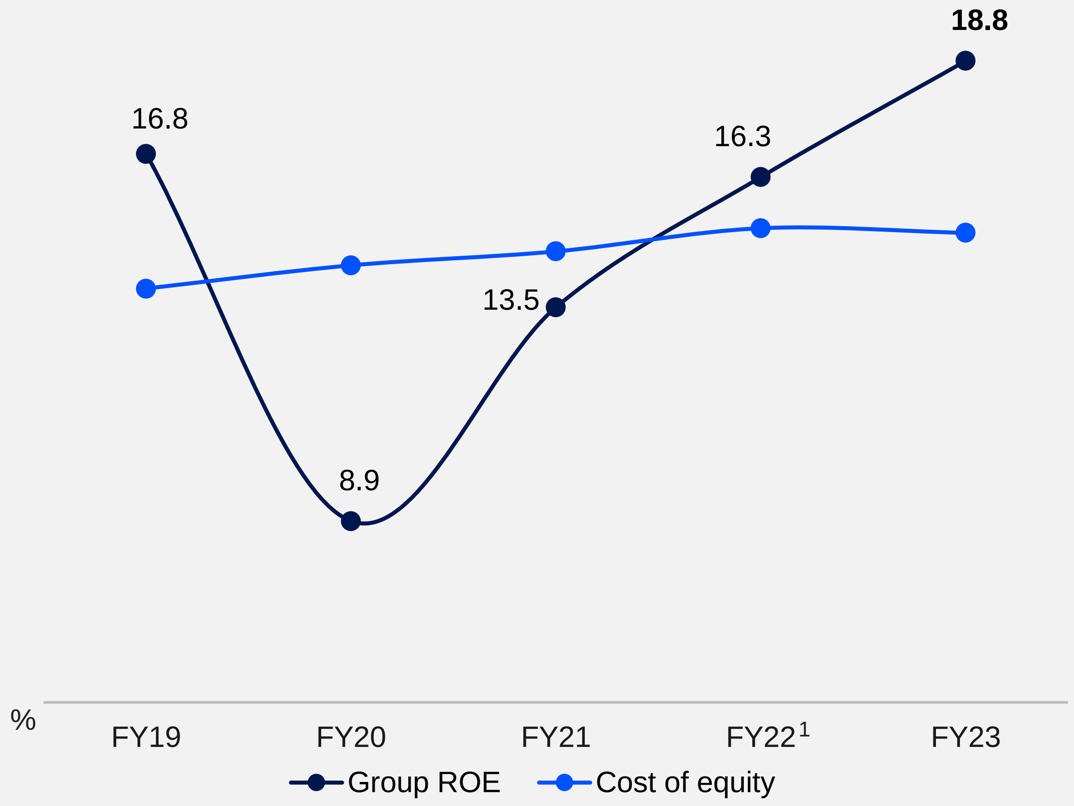
Risk-weighted assets



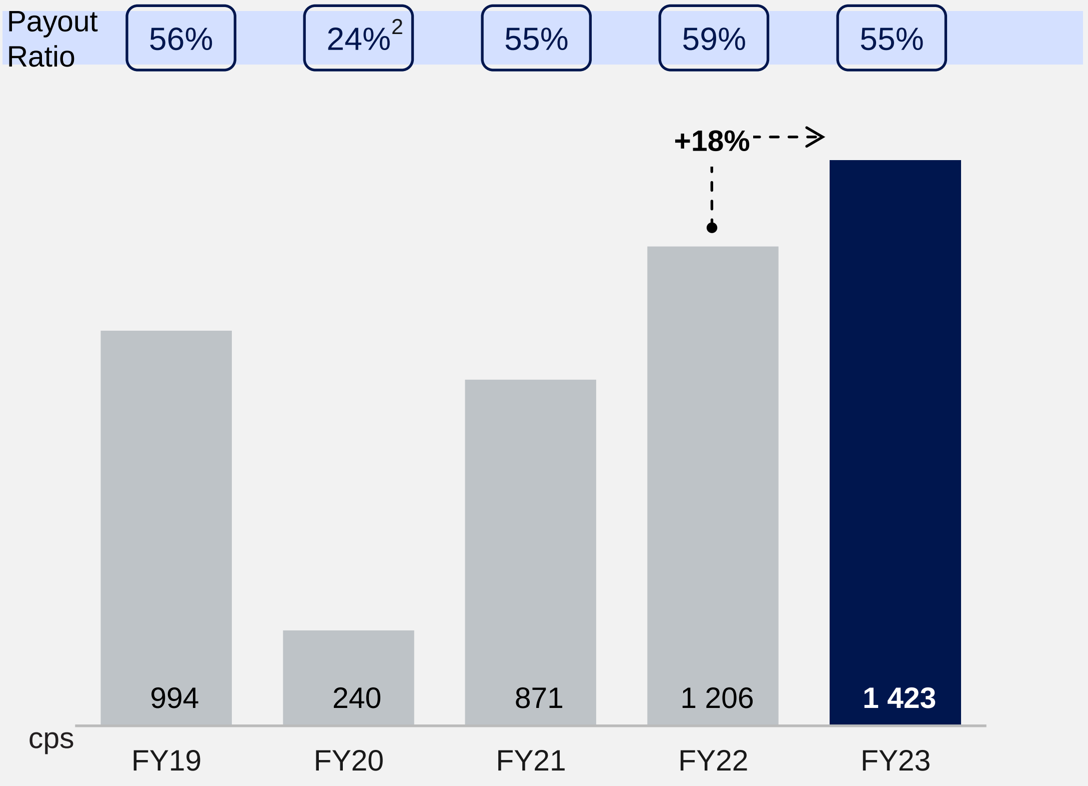
[1] Including unappropriated profits, [2] Dividend paid related to FY22 final dividend paid in April 2023 and 1H23 dividend paid in September 2023

ROE & dividends – improved returns and increased dividends

Return on equity and cost of equity



Dividend per share



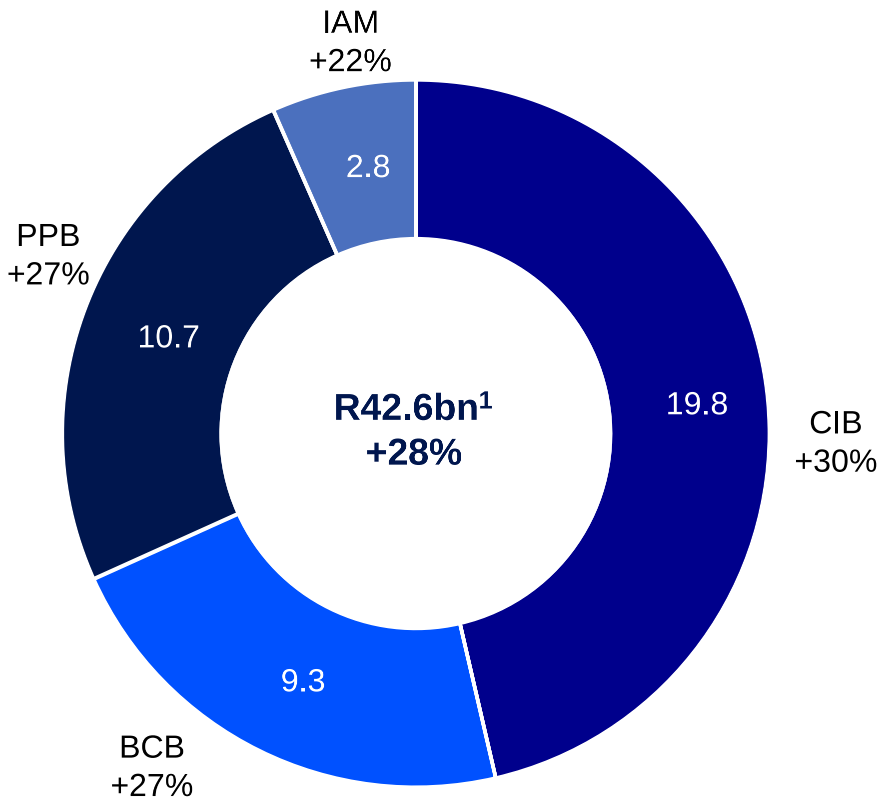
[1] Prior year numbers restated following the implementation of IFRS17, effective 1 January 2022, [2] No 1H20 interim dividend paid as per guidance from the South African Reserve Bank

Segmental disclosures

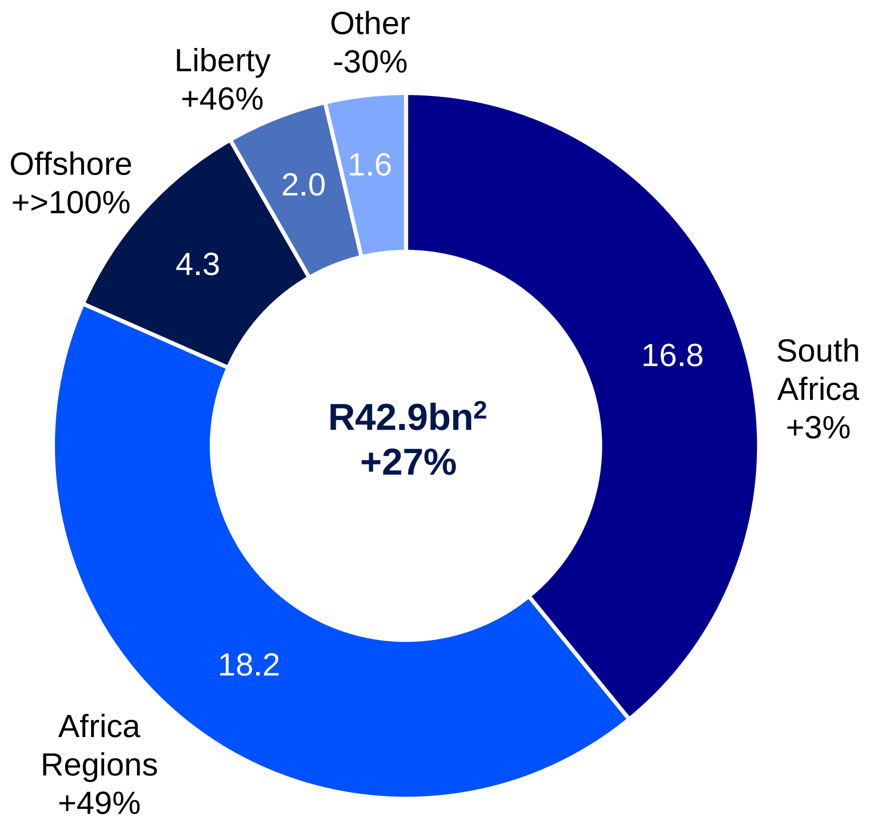
2.5

SBG portfolio – diversified, across four businesses and 26 countries, and delivering growth

Business unit headline earnings, YOY change



Legal entity headline earnings, YOY change



[1] Headline earnings by business unit (SBG Franchise) excluding Centre, [2] Headline earnings by legal entity, South Africa is The Standard Bank of South Africa, Offshore is Standard Bank Offshore Group, and Other includes other group entities and ICBCS

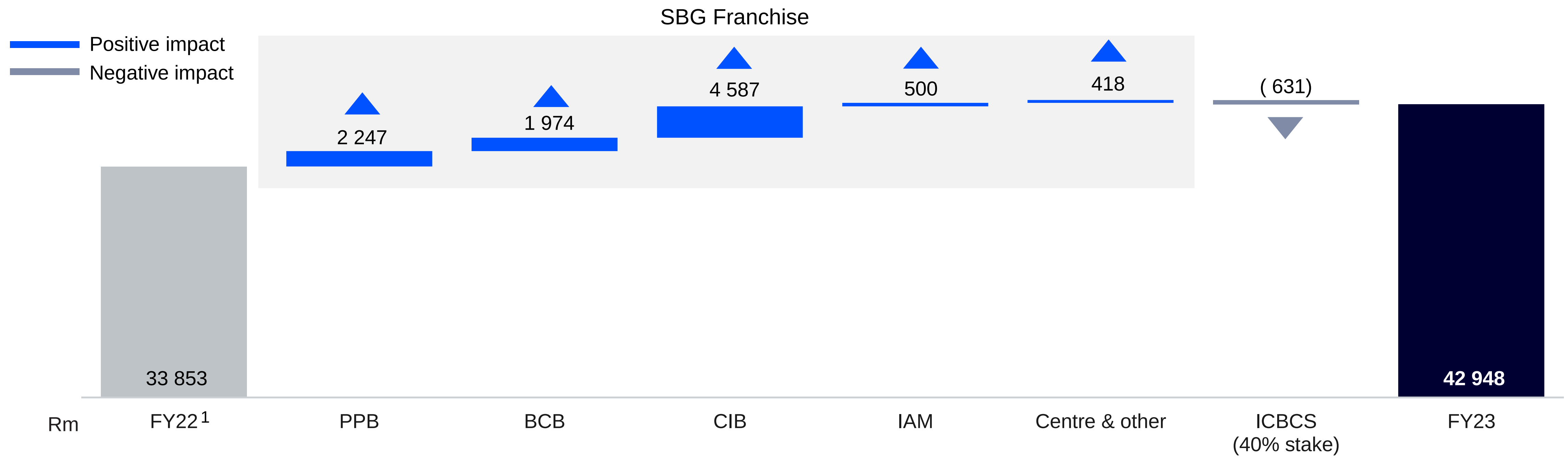
Business units – all franchise businesses contributed positively to growth and returns

	Revenue Total income	% contribution[1]	Efficiency Cost-to-income ratio	Returns Return on equity
Banking: PPB	▲ R57bn +18%	32%	▼ 53.7%	▲ 22.4%
Banking: BCB	▲ R38bn +18%	21%	▼ 56.1%	▲ 37.0%
Banking: CIB	▲ R64bn +19%	36%	▼ 45.6%	▲ 22.3%
IAM	▲ R22bn +15%	13%		▲ 13.1%
Group[1]	▲ R178bn +20%			▲ 18.8%

[1] *Group revenue includes Centre & Other*

Business units – all franchise businesses delivered earnings growth

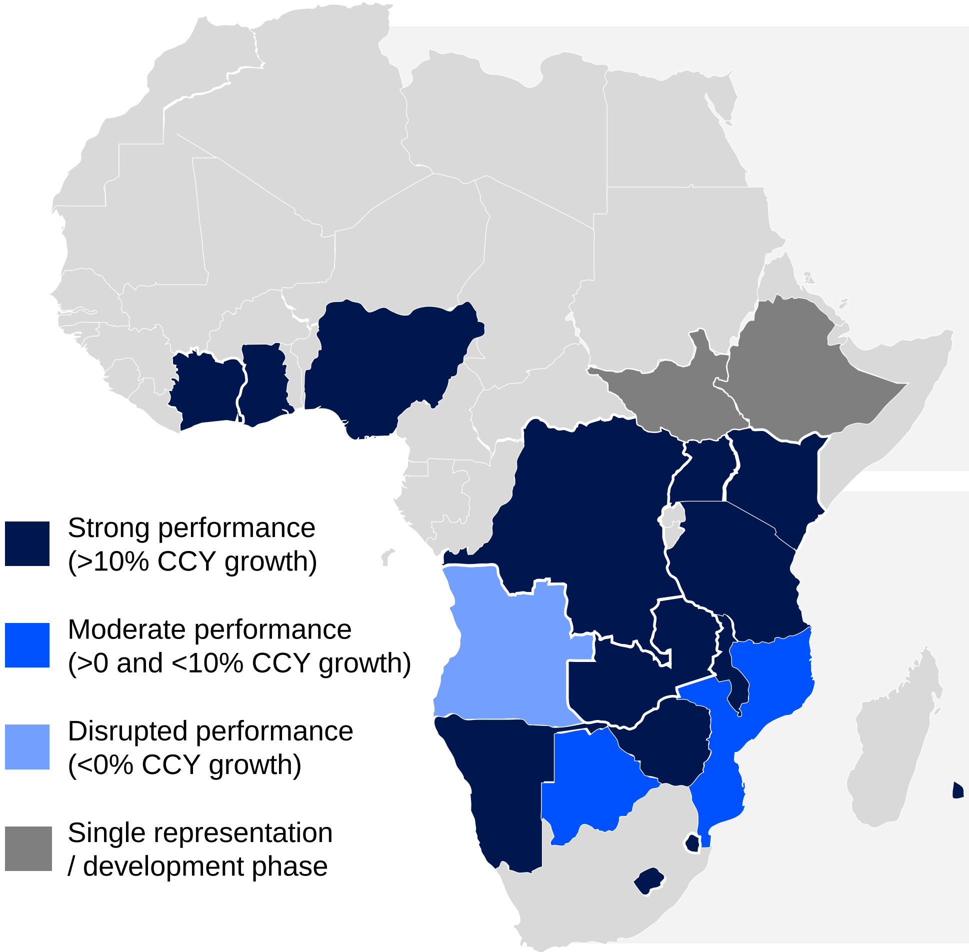
Headline earnings growth drivers by business unit[1]



Rm	FY22[1]	PPB	BCB	CIB	IAM	Centre & other	ICBCS (40% stake)	FY23
HE, Rbn		10.7	9.3	19.8	2.8	(1.0)	1.3	42.9
Var. %		+27	+27	+30	+22	+30	(33)	+27
ROE, %		22.4	37.0	22.3	13.1		15.7	18.8

[1] Prior year numbers restated, refer to FY23 Financial Analysis Booklet page 111-114

Africa Regions – all 3 regions delivered very strong performances



Headline earnings

	FY23 Rbn	FY22 Rbn	Change %	Change CCY %
Africa Regions	**18.2**	**12.2**	**49**	**70**
East Africa[1]	3.5	2.4	45	37
South & Central Africa[2]	8.4	6.2	36	52
West Africa[3]	6.3	3.6	74	>100

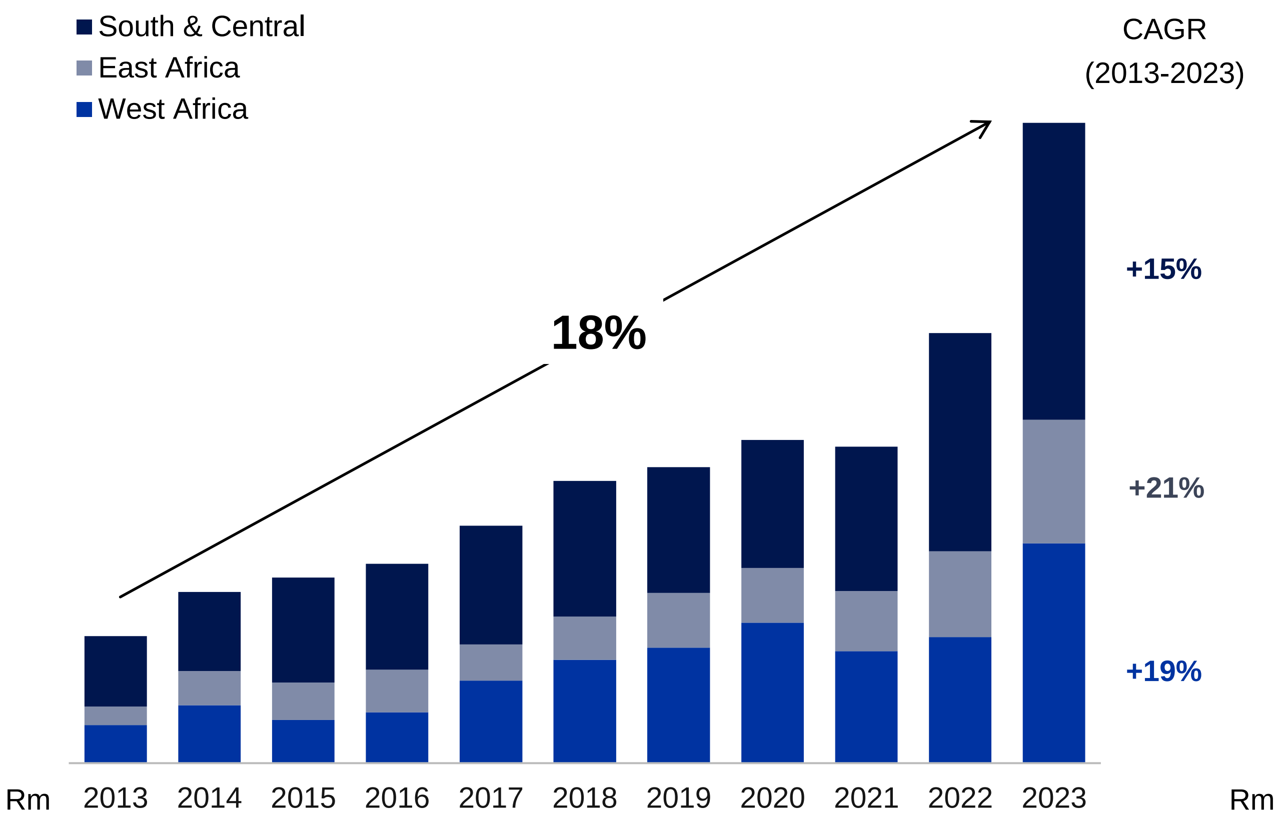
Return on equity

	FY23 %	FY22 %
Africa Regions	**28.0**	**21.0**
East Africa	21.3	17.3
South & Central Africa	28.2	25.4
West Africa	33.7	18.2

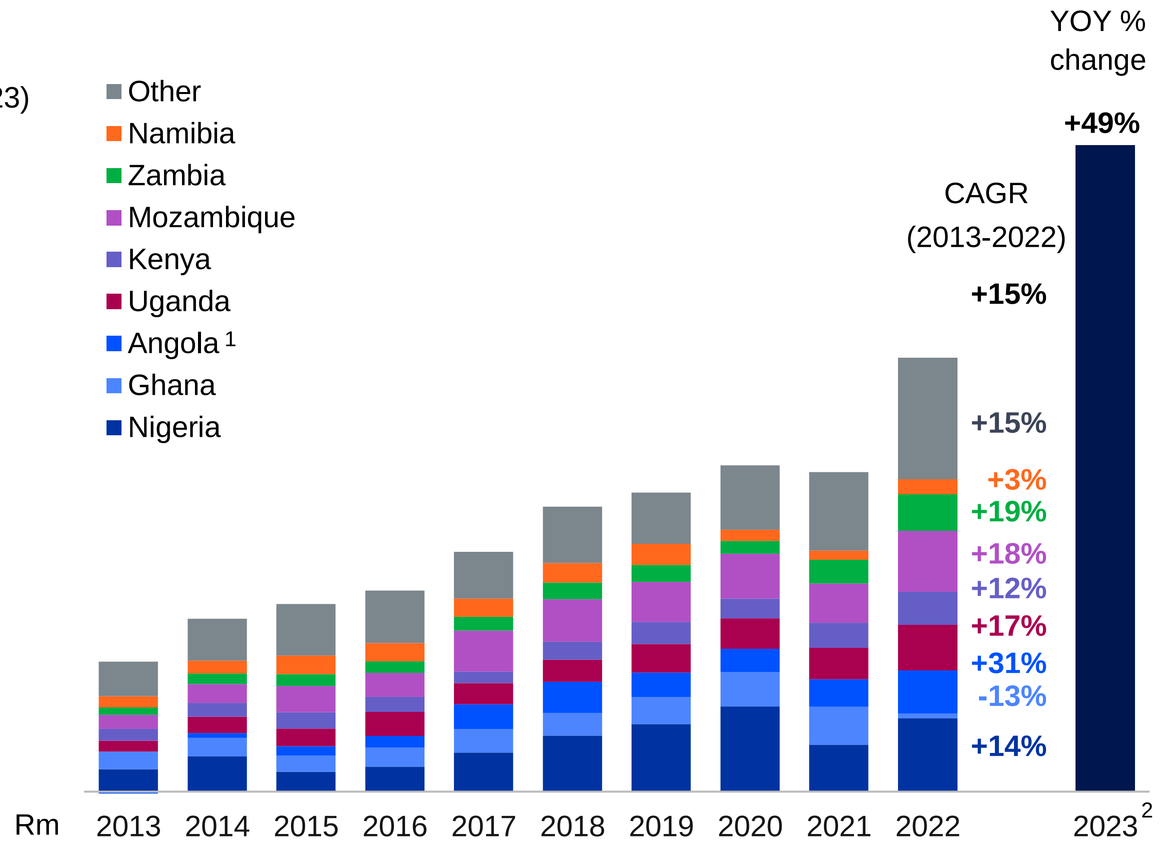
[1] Kenya, South Sudan, Tanzania, Uganda, [2] Botswana, Eswatini, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Zambia, Zimbabwe, [3] Angola, DRC, Ghana, Côte d'Ivoire, Nigeria

Africa Regions – continued delivery underpinned by our established portfolio of 19 countries

Headline earnings by region



Headline earnings by country



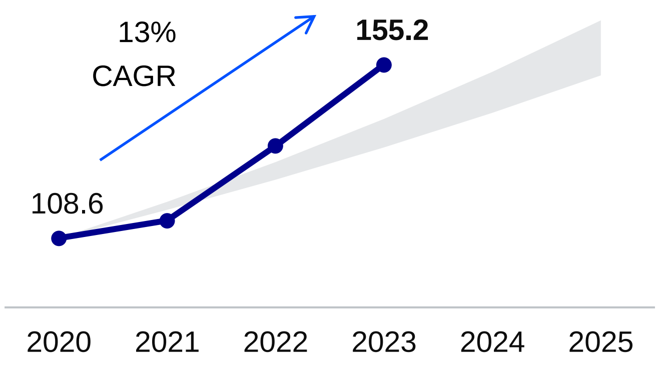
[1] Angola CAGR based on 2014 to 2022, [2] 2023 not split as certain Africa Regions' subsidiaries have not yet reported

2024 outlook

2.6

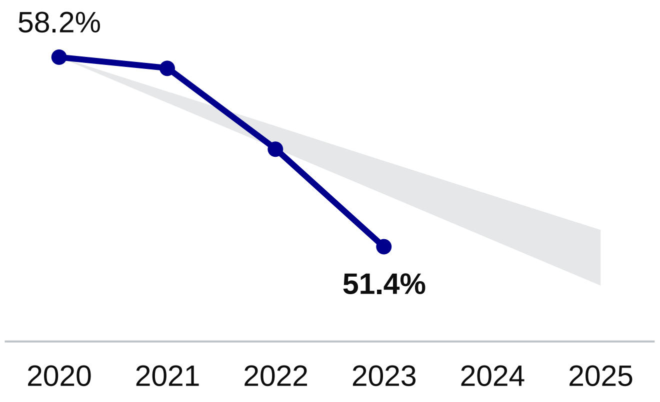
SBG 2025 targets[1]

Revenue growth, Rbn



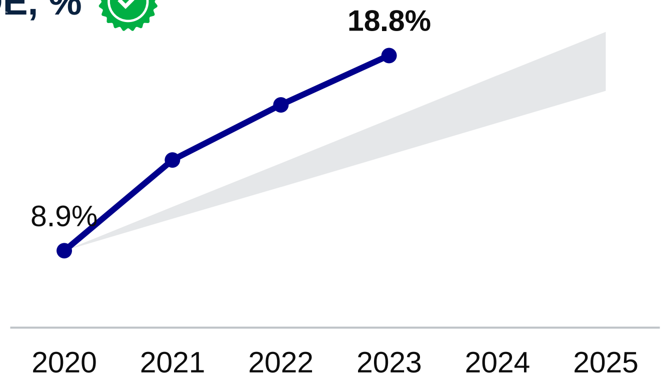
Target:
7%-9%
CAGR

Cost-to-income ratio, %



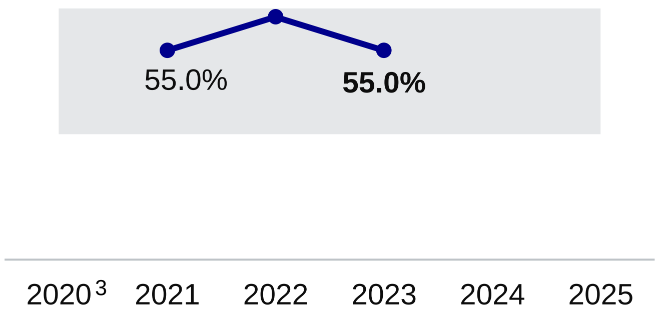
Target:
Approaching
50%[2]

ROE, %



Target:
17%-20%

Dividend payout ratio, %



Target:
45%-60%

Tracking ahead of plan across key SBG 2025 targets

Actual
2025 target

[1] 2025 targets are as laid out in our Strategy Day in August 2021, lines are indicative only, reflect straight line from 2020 to 2025, [2] Approaching 50% equates to less than 52%, [3] Dividend payout was 24% in FY20 as no 1H20 interim dividend was paid as per guidance from the South African Reserve Bank

2024 outlook – risks persist, but expect a soft landing

Global

- Inflation expected to continue to fall providing scope for interest rates cuts
- IMF forecasts global real GDP growth of 3.1% for 2024[1]
- Elections across much of the globe

Sub-Saharan Africa

- While some markets may still see interest rate increases in 1H24, most markets expected to start cutting interest rates in 2H24
- IMF expects sub-Saharan Africa to grow at 3.8% in 2024[1], with higher levels of growth in East Africa
- 13 countries will hold elections in 2024, including six where the group operates[2]

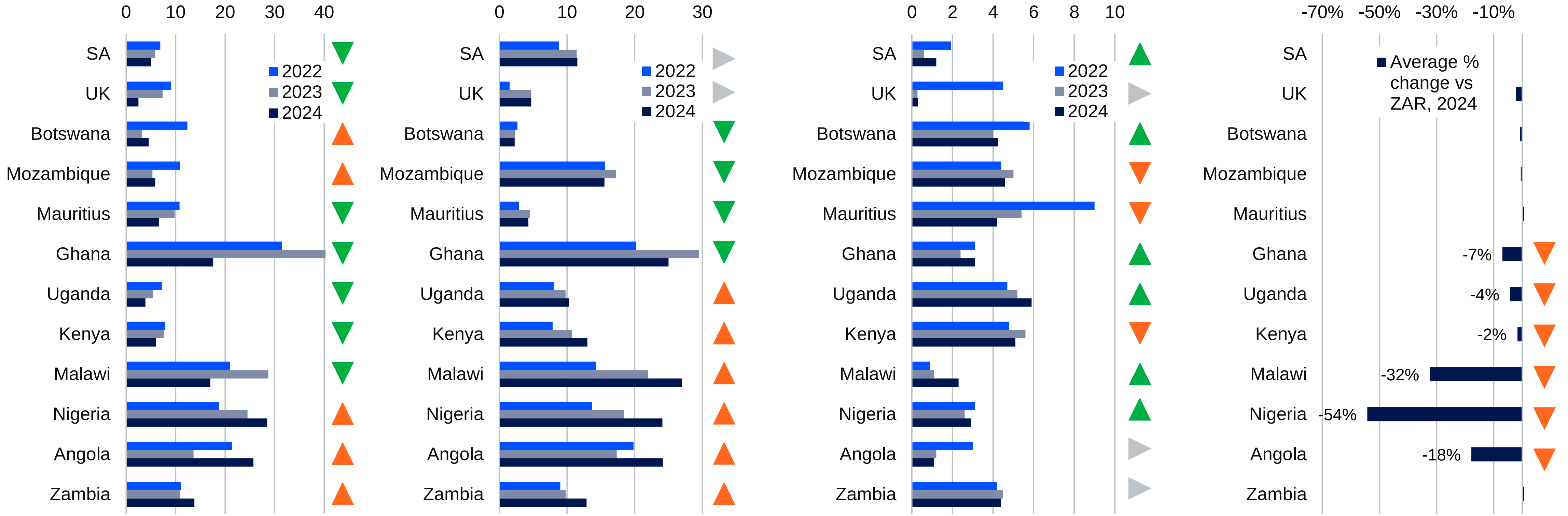
South Africa[3]

- Inflation expected to decline to 5.0% on average in 2024, providing scope for interest rate cuts (75 basis points over the year)
- Real GDP growth expected to improve to 1.2%, subject to an easing of the electricity shortfalls and logistics constraints
- Continued gradual policy reform should be growth-supportive over time and any acceleration in resolving the electricity, road, rail and port constraints would aid this further

[1] International Monetary Fund, Jan 2024, [2] Elections in Botswana, Ghana, Mauritius, Mozambique, Namibia, and South Africa, [3] Standard Bank Research expects SARB to cut interest rate by a cumulative 100 basis points in 2024, starting in July 2024

FY24 macro outlook mixed – supportive on a portfolio basis but currency movements will be a headwind

Inflation, % | **Interest rates, avg %** | **Real GDP growth, %** | **Currency impact vs ZAR**



	Inflation, %	Interest rates, avg %	Real GDP growth, %		Currency impact vs ZAR
Weighted average - 2023[1]	9.9%	11.6%	2.0%	Weighted average forecast currency dilution in 2024[1]	n/a
Weighted average - 2024[1]	**7.0%**	**11.4%**	**2.2%**		**(5.8%)**

Positive | Flat | Negative

Source: Company financials and SB Research, 12 March 2024

[1] Weighted based on headline earnings contribution per country (excluding Zimbabwe)

FY24 guidance – continued robust underlying growth diluted by currency movements

Banking (applies to the rows Net interest income to Credit loss ratio)

	FY24 guidance (ZAR)	Commentary
Net interest income	Low-to-mid single digits	• Balance sheet growth to remain slow in 1H24 but improve in 2H24 • Average interest rates to be marginally down and pricing to remain competitive
Non-interest revenue	Low single digits	• Fees supported by a larger client base, increased client activity and higher client spend • Trading revenue to decline off a high base, but subject to market developments and client flow
Jaws	Flat to positive jaws[1]	• Heightened focus on costs • Will continue to invest in the business to remain competitive and grow
Credit loss ratio	At the top of the TTC[2] range of 70 bps – 100 bps	• Subject to inflation and interest rate developments • Charges expected to peak in 1H24, driven primarily by ongoing strain in PPB
IAM	Earnings growth	• ROE expected to continue to improve and move closer to group COE
Group ROE	Inside the 2025 target range of 17% – 20%	• Ongoing focus on capital optimisation and returns
Dividend payout ratio	45% – 60%	• Capital generation will support distributions

[1] Jaws for Banking businesses, [2] Through-the-cycle

Competitive position

3.0

SBG overview – FY23 and beyond

01

Franchise performance – proved resilient over time

- Our purpose, strategy and targets
- A difficult geopolitical and macroeconomic backdrop, but outlook improved as the year progressed
- A business in good health that has proved resilient over the last five years

02

FY23 financial performance and 2024 outlook – our differentiated franchise delivered a differentiated performance

- Strong performance underpinned by our robust and growing franchise
- Diversified portfolio across 4 businesses and 26 countries, all regions delivering growth
- Short term headwinds, but tracking ahead of plan so remain confident we will deliver on SBG 2025 targets

03

Competitive position – scale, diversity, resilience

- *Positive outlook over the medium to longer term:* ***+4%*** *sub-Saharan Africa GDP growth*
- *Well diversified business with unmatched scale:* **4** businesses, **26** countries, **R3.1trn** assets, **R178bn** revenue
- *Growing and engaged client franchise:* Growth in active clients across BUs, +**18.8m** (up 6%), and higher client revenues
- *Targeted technology investment enables competitiveness and resilience:* BU-led investment in client systems, improved stability and security and increasing productivity
- *Capturing opportunities linked to Africa's energy transition:* +**R50bn** sustainable finance mobilised for clients in FY23
- *Steady growth and strong momentum:* **10%** earnings CAGR[1] over 10 years, **42%** earnings contribution from Africa Regions

[1] *Compound annual growth rate*

Positive outlook – over the medium to longer term

Our base case

- Moderating global inflation and improved growth outlook
- Sub-Saharan Africa
  - Growth likely to pick up to 4%, leading to massive financing opportunities
  - More orthodox policy and better communication should improve pricing of African debt
- South Africa
  - Constraints in electricity and logistics in South Africa will continue to be addressed
  - Policy continuity despite the uncertainty surrounding the upcoming elections
  - Growth likely to improve
- Steady progress on a transition to a lower carbon economy

Downside risks

- Global economy experiences a hard landing
- Intensifying populism and deepening fragmentation between power blocs leading to a new Cold War
- Worsening regional wars
- Counterproductive policy choices in South Africa
- Inaction or policy reversals on climate change and sustainability

Upside possibilities

- Stronger than expected global growth
- Improved geopolitical outlook
- Faster and more ambitious structural reform in South Africa
- Faster progress on climate change adaptation and mitigation

Variety of scenarios, but Standard Bank well prepared and well positioned

Our business – well diversified with unmatched scale

4 businesses

Banking

Personal & Private Banking

Individual clients, from personal to private clients, as well as wealth and investment

Business & Commercial Banking

Small and medium-sized businesses, as well as large commercial enterprises

Corporate & Investment Banking

Large companies (multinational, regional and domestic), governments, parastatals and institutional clients

Insurance & Asset Management

Individual customers to corporate and institutional clients who want to build and protect their wealth and lifestyle

26 countries

Offshore hubs
Isle of Man
Jersey

Key financial hubs
London
New York
Dubai
Beijing

#1 on the continent[1]

R3.1trn
Assets

R2.0trn
Deposits and debt funding

R1.5trn
Assets under management[2]

R178bn
Revenues[3]

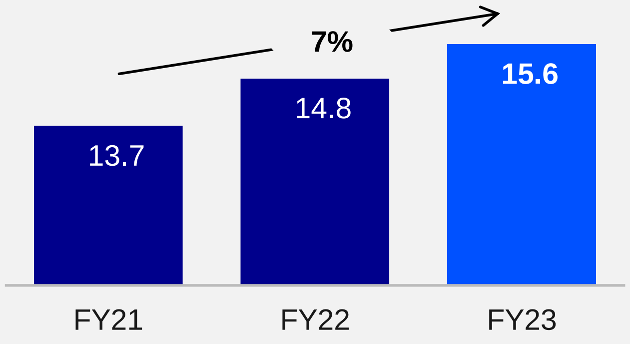
R43bn
Headline earnings

[1] Largest bank based on total assets and most valuable banking brand in Africa for third year in a row, [2] Assets under Management and Assets under Administration, [3] SBG Franchise (Banking and IAM) revenues

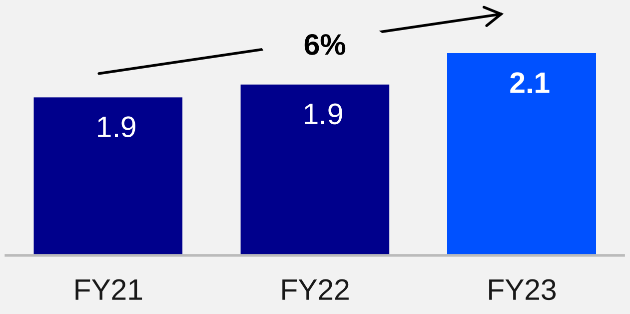
Client franchise – growing and engaged

Growing client base, CAGR[1]

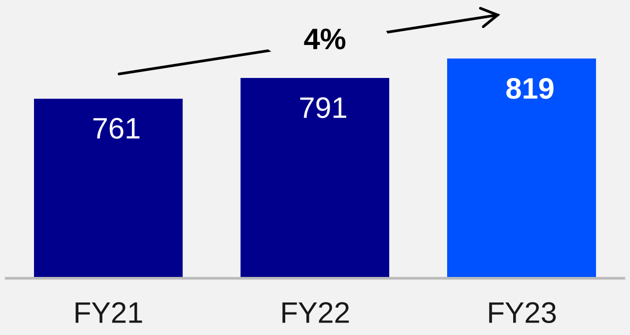
PPB active clients, millions



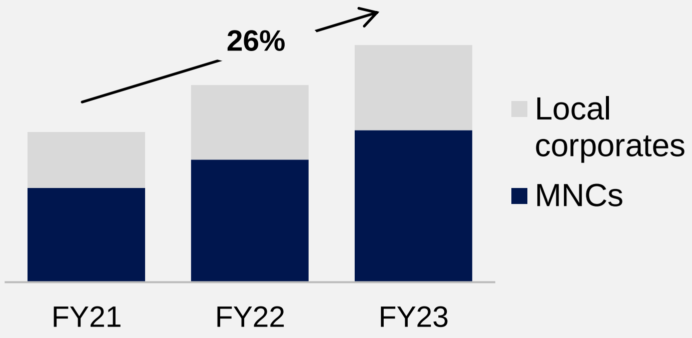
Pension fund administration clients, millions



BCB active clients, 000s



CIB client revenue, Rm



Increasing client engagement

↑ 30%
Increase in PPB digital transaction volumes

↑ 7%
Increase in BCB digital transactions

↑ 40%
Growth in Flexi funeral GWP[2] sold through PPB by IAM

[1] Compound annual growth rate, [2] Gross written premiums

Technology – targeted investment enables competitiveness and resilience

BU-led investment in client systems

95% decline in time to process cross-border payments for corporate clients in South Africa

>30% decline in time to onboard business clients in Africa Regions[1]

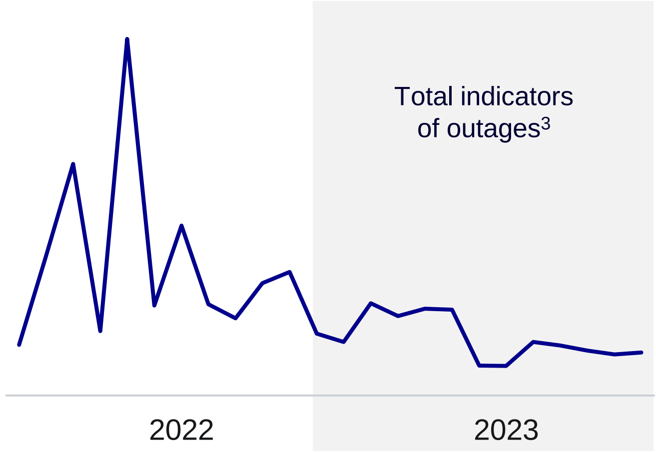
100% digital onboarding process for small businesses in South Africa[2]

3 min loans for business clients available via digital platforms in South Africa

+100m SBG Mobile logins per month on average in South Africa

- Positive client feedback and increased activity in BCB and CIB
- Improved net promoter scores across all PPB digital channels

Stable and secure



- Improved change processes
- Significant improvement in system stability
  - >60% decline in outages
  - >40% decline in time to repair
- Improved security, system change management and skills

Increasing productivity

>90% BCB queries can be dealt with virtually[4]

30% decline in call response times in PPB South Africa

>4 million AI-enabled conversations to deliver personalised products

+20 generative AI use cases being piloted

- Extracting productivity gains from IT investments
- AI well embedded e.g. credit origination, fraud prediction and personalisation models
- AI enabling faster coding and IT solutioning

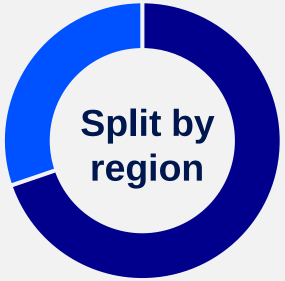
Actions | Outcomes

[1] In countries where digital onboarding capability has been deployed, [2] For sole props and single directors, [3] Standard Bank outages in South Africa based on Downdetector, [4] In South Africa

Africa's energy transition – capturing opportunities

Sustainable finance mobilised in 2023

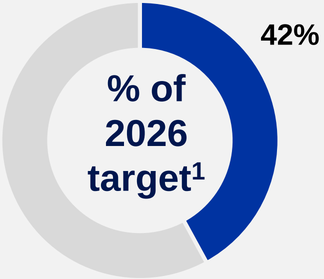
>R50bn
Sustainable finance



■ South Africa ■ Africa Regions

Cumulative sustainable finance mobilised since 2022

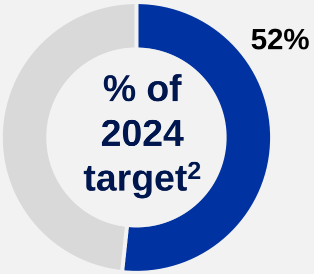
>R105bn
Sustainable finance



Renewable energy

8
Government-procured projects financed in 2023

2
Private renewable energy projects financed in 2023



Supporting SMEs and large commercial businesses

>R2.0bn
Loans provided to SMEs to help business owners access affordable and reliable alternative energy products in 2023

Supporting individuals in their sustainability transition

>R145m
Disbursed to individuals to install solar solutions in South Africa in 2023

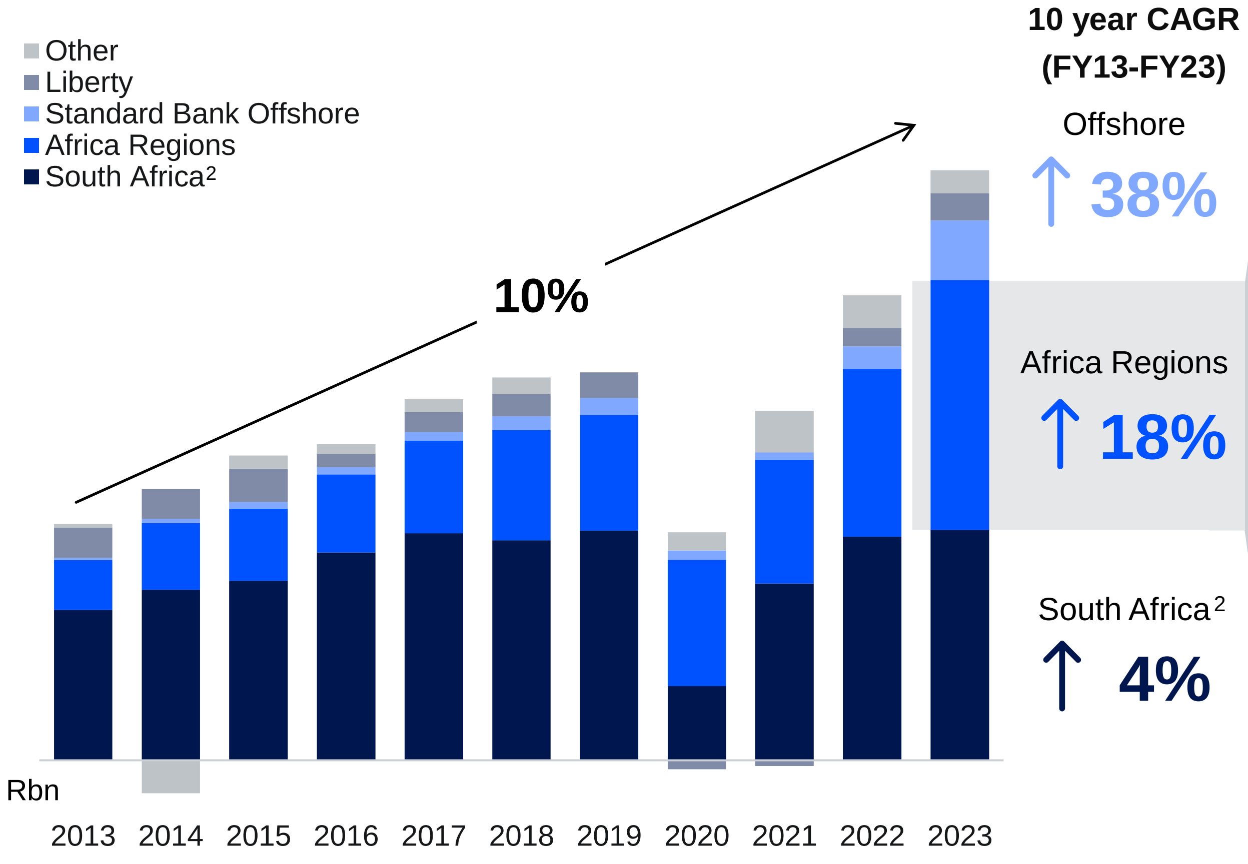
Renewable energy funding

>5 times
More renewable energy funded than non-renewable energy

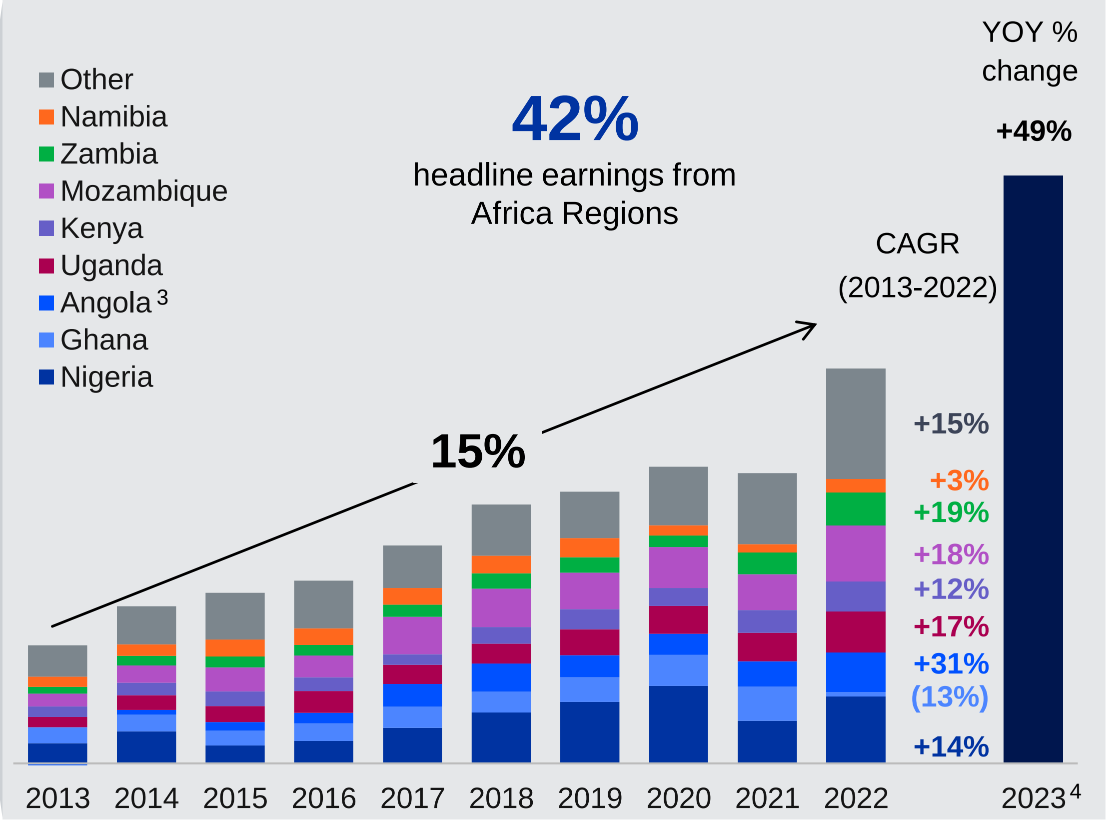
[1] Percentage of target of >R250bn by the end of 2026 as per Standard Bank Group Climate policy, March 2022, [2] Percentage of renewable energy target of R65bn (R50bn in finance and R15bn in underwriting) for new renewable energy power plants by the end of 2024

Our portfolio of businesses – steady growth and strong momentum

Headline earnings[1], 10-year trend



Headline earnings[1], YOY trend



[1] Headline earnings by legal entity as per page 80 of the Financial Analysis Booklet, [2] South Africa is The Standard Bank of South Africa (SBSA), [3] Angola CAGR based on 2014 to 2022, [4] 2023 not split as certain Africa Regions' subsidiaries have not yet reported

Our 2024 focus areas

1. Continue to grow our client base through our universal product offering and unrivalled network
2. In all four business units, focus on defending where we lead, growing where we are sub-scale and optimising to create capacity to invest where needed
3. Manage risk effectively while supporting clients
4. Focus strongly on costs, but continue to invest for the future
5. Allocate resources diligently to support continued underlying franchise growth and returns

AFRICA'S MOST AWARDED INVESTMENT BANK

emeafinance African Banking Awards 2023

AFRICA'S WINNING BANK.

29 AWARDS. **11** CATEGORIES. **1** BANK.

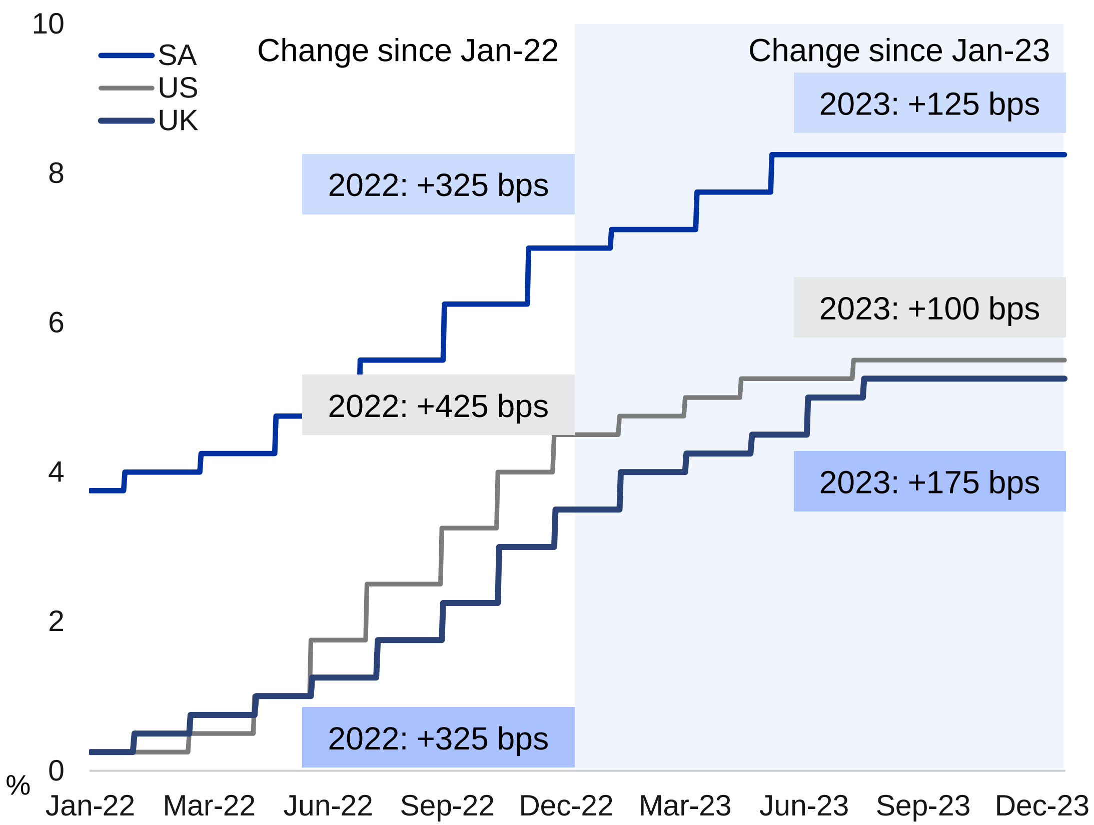
Q&A

THANK YOU

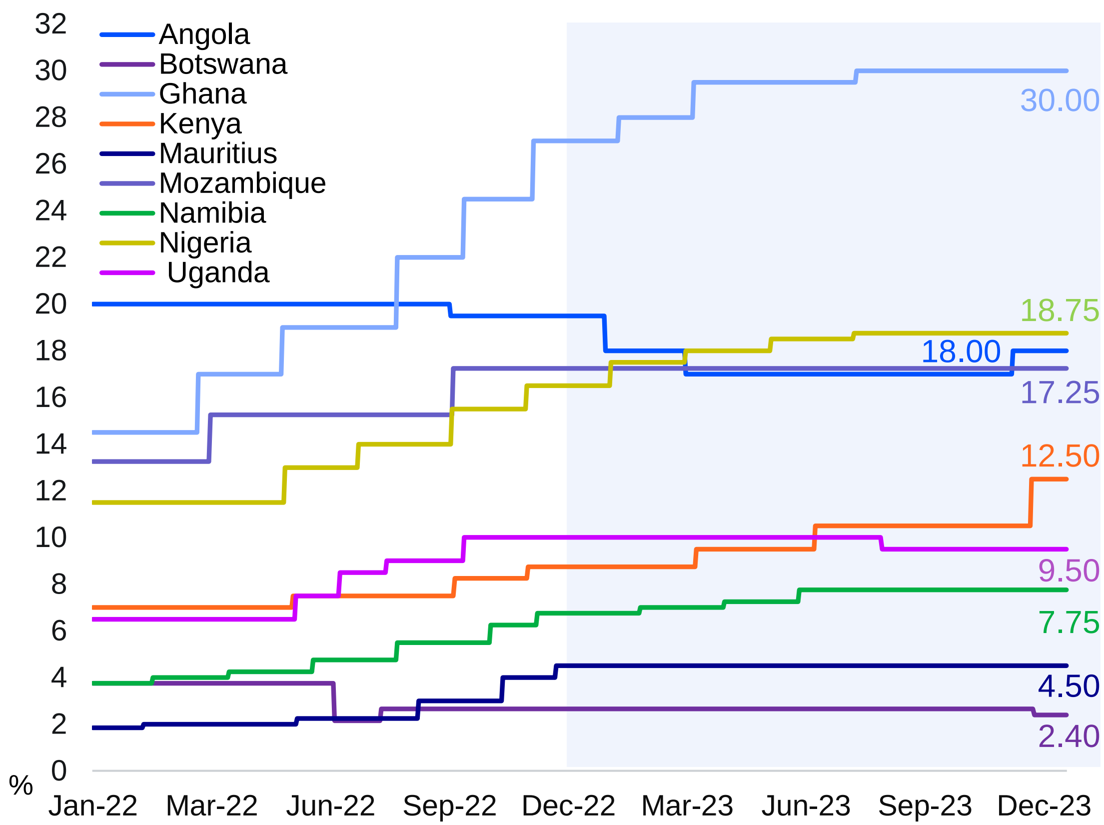
Appendix – Additional disclosures

Interest rates – trended higher, providing a strong tailwind to net interest income

South Africa, UK & USA, %



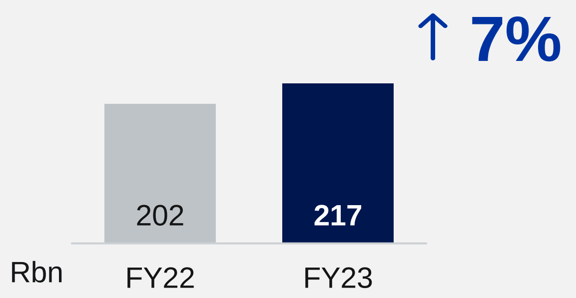
Africa Regions, %



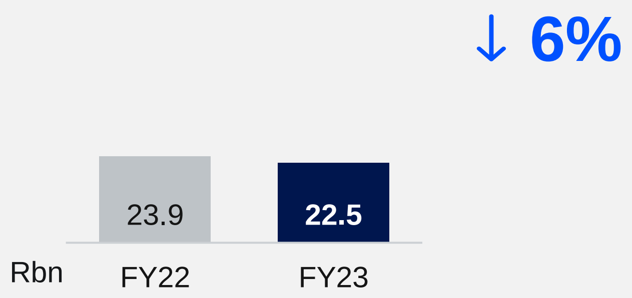
Source: Bloomberg

Disbursements – IB origination remained strong while PPB and BCB disbursements moderated

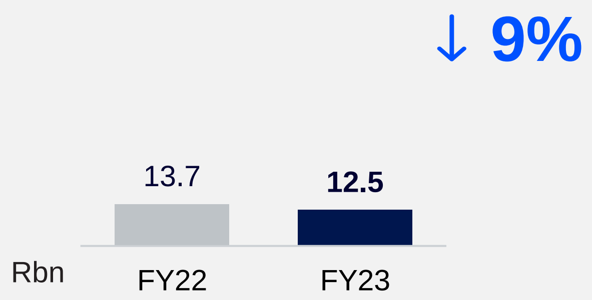
Investment banking origination



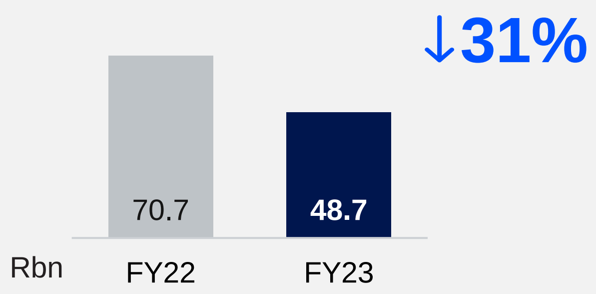
VAF – PPB



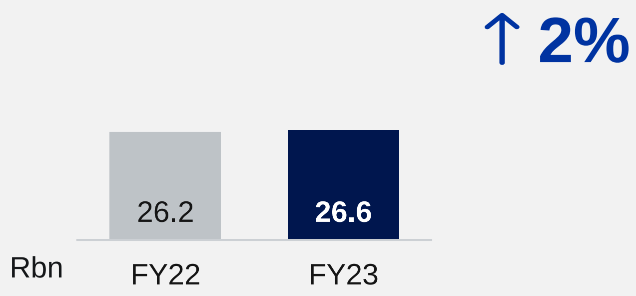
Personal unsecured loans



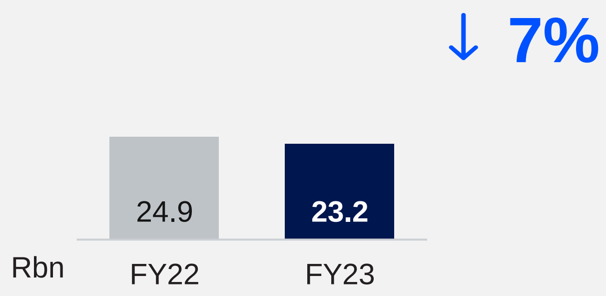
Home services



VAF – BCB



Business lending



% change, FY23 vs FY22

SBSA – performance reflective of the difficult SA environment

	SBSA FY23 Rbn	SBSA FY22[1] Rbn	Change %
Net interest income	54.5	46.9	16
Non-interest revenue	39.5	36.0	10
Total income	**94.0**	**82.9**	**13**
Operating expenses	(56.4)	(48.5)	16
Pre-provision profit	**37.6**	**34.4**	**9**
Credit impairment charges	(13.3)	(9.9)	34
Headline earnings	**16.8**	**16.3**	**3**
Credit loss ratio, bps	98	79	
Cost-to-income ratio, %	60.4	58.8	
Jaws, %	(2.9)	5.0	
ROE, %	14.6	15.2	

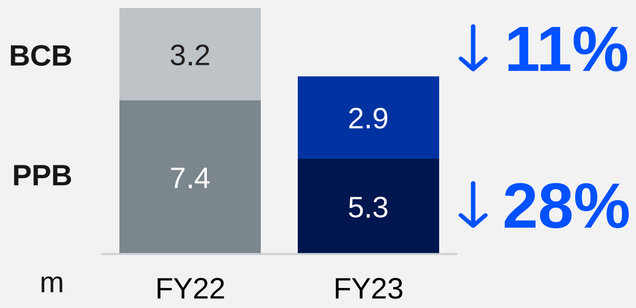
Key drivers of performance

- **Net interest income** grew on the back of loan book growth and higher average interest rates resulting in positive endowment
- **Non-interest revenue** increased due to a higher client base, good growth in transactional volumes, particularly related to travel and e-commerce spend, annual price increases, strong trading revenue linked to client demand for FX, increased volatility and structured funding
- **Operating expenses** were higher due to the inflationary environment, annual staff cost and incentive increases, an increase in skilled staff compliment, higher technology costs to support client experience and higher fuel and maintenance costs due to loadshedding
- **Credit impairment charges** were higher driven by book growth, new corporate defaults, higher provisions due interest rate hikes and non-recurrence of prior year credit recoveries in the payment holiday portfolio

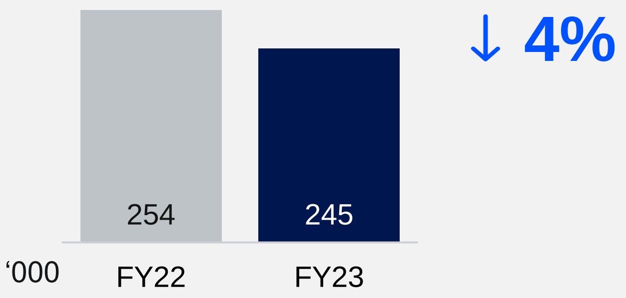
[1] Prior year numbers restated, refer to FY23 Financial Analysis Booklet page 111-114

South Africa – client behaviour driving continued infrastructure optimisation

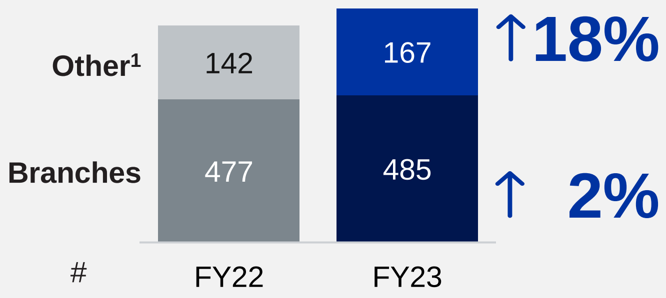
Branch transaction volumes



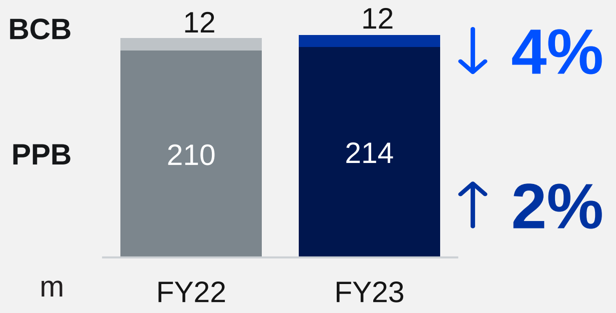
Branch, sqm



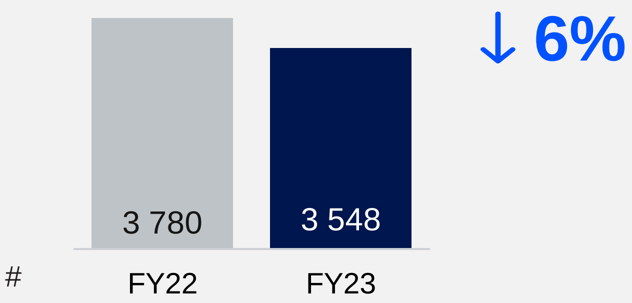
Branches & other points of representation



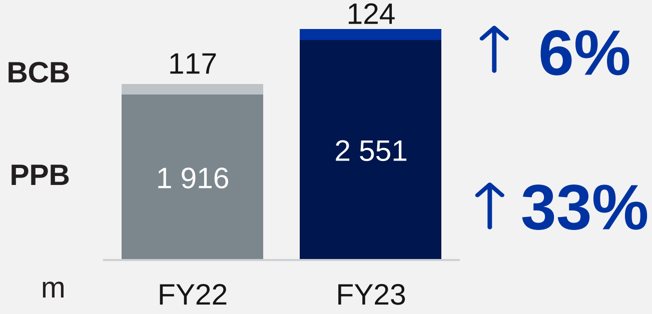
ATM transaction volumes



ATMs



Digital transaction volumes



% change, FY23 vs FY22

[1] *Other includes in-store kiosks and other points of representation, generally smaller and cheaper to run than typical branches*

Africa Regions – delivered a robust performance in CCY and ZAR

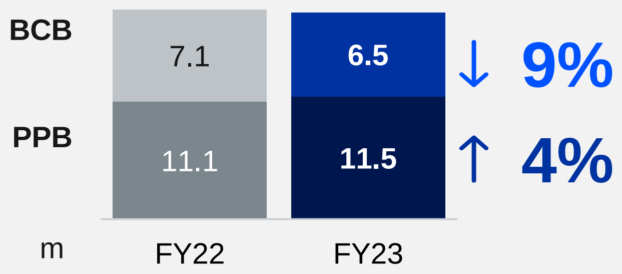
	FY23 Rbn	FY22 Rbn	Change %	CCY change %
Net interest income	36.7	28.6	28	47
Non-interest revenue	24.4	20.7	18	38
Total income	**61.1**	**49.3**	**24**	**43**
Operating expenses	(27.8)	(24.1)	15	33
Pre-provision profit	**33.3**	**25.2**	**33**	**53**
Credit impairment charges	(2.8)	(3.9)	(28)	(23)
Headline earnings	**18.2**	**12.2**	**49**	**70**
Credit loss ratio, bps	83	93		
Cost-to-income ratio, %	45.4	49.0		
Jaws, %	9.0	8.8		
ROE, %	28.0	21.0		

Key drivers of performance

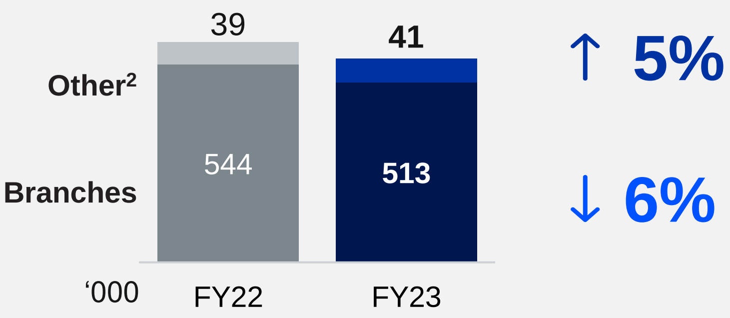
- **Net interest income** grew due to good balance sheet growth, higher demand for trade facilities and positive endowment in a higher average interest rate environment across the region
- **Non-interest revenue** increased due to higher transactional activity linked to client acquisition, annual price increases, increased assets under management and related fees earned and increased deal origination and trade activity as well as higher trading revenue from increased client FX demand in West Africa and higher client FX sales in East and West Africa
- **Operating expenses** were higher due to heightened inflationary environments across the region, annual salary increases, an increase in skilled staff compliment, higher depositor insurance in West Africa on the back of balance sheet growth, higher technology costs to support the investment in digital capabilities and impact of local currency devaluation on foreign currency denominated costs
- **Credit impairment charges** declined due to the post restructure release of material impairments raised in Ghana in FY22. This was offset by higher sovereign risk related provisions in South & Central Africa and increased stage 3 impairments for existing exposures in East and West Africa

Africa Regions – client preference for digital is clear

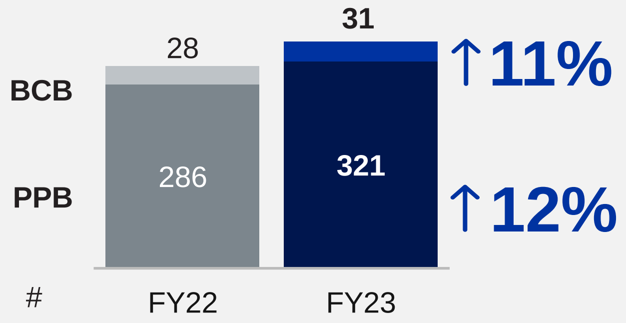
Branch transaction volumes



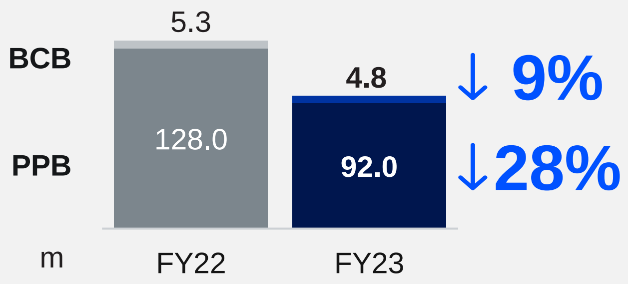
Branches & other points of representation



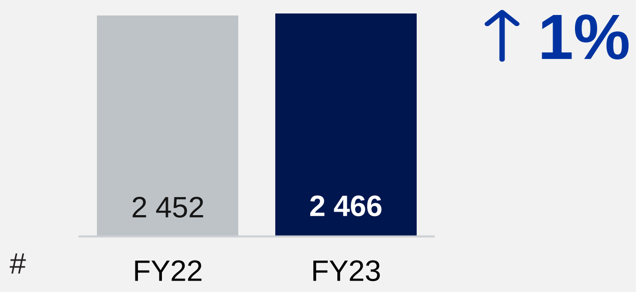
Digital transaction volumes



ATM transaction volumes[1]



ATMs



% change
FY23 vs FY22

[1] *PPB ATM transaction volumes declined in Africa Regions in FY23 because of declines in Nigeria linked primarily to withdrawal restrictions in 1H23,* [2] *Other includes in-store kiosks and other points of representation, generally smaller and cheaper to run than typical branches*

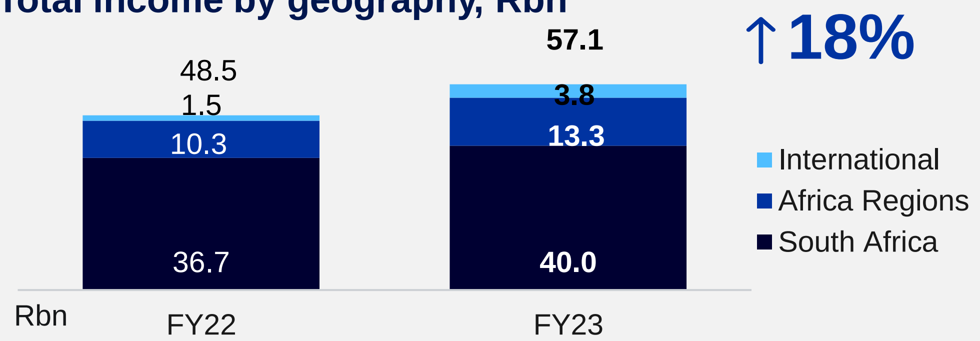
Personal & Private Banking – key highlights

	FY23 Rbn	FY22[1] Rbn	Change %
Net interest income	39.1	33.0	19
Non-interest revenue	18.0	15.5	16
Total income	**57.1**	**48.5**	**18**
Operating expenses	(30.7)	(27.4)	12
Pre-provision profit	**26.4**	**21.2**	**27**
Credit impairment charges	(11.1)	(8.8)	26
Headline earnings	**10.7**	**8.5**	**27**
Credit loss ratio, bps	159	131	
Cost-to-income ratio, %	53.7	56.4	
Jaws, %	5.7	n/a	
ROE, %	22.4	17.7	

Key drivers of performance

- **Total income** increased due to positive endowment in a higher average interest rate environment, increase in the active client base, on the back of successful client engagement, retention and acquisition strategies, and higher transactional activity
- **Operating expenses** were higher driven by the inflationary environment, continued investment in digital capabilities and increased business-related expenses across the portfolio
- **Credit impairment charges** increased due to the challenging macroeconomic environment and strain on client affordability
- **Headline earnings** increase underpinned by strength of client franchise

Total income by geography, Rbn

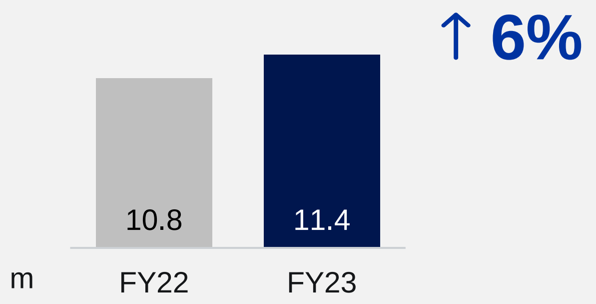


[1] Prior year numbers restated, refer to FY23 Financial Analysis Booklet page 111-114

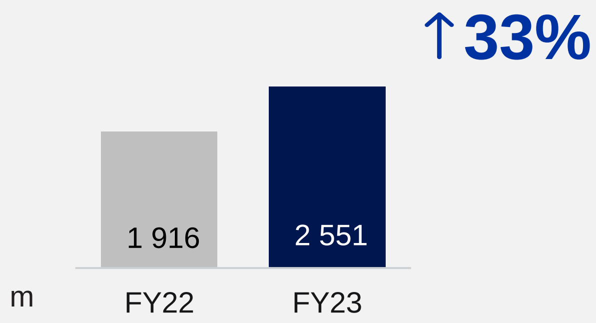
Personal & Private Banking – franchise momentum

South Africa

Active clients

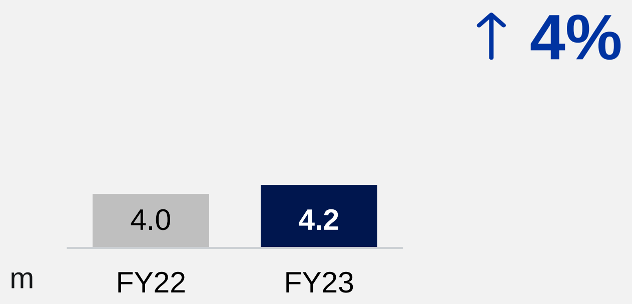


Digital transactional volumes

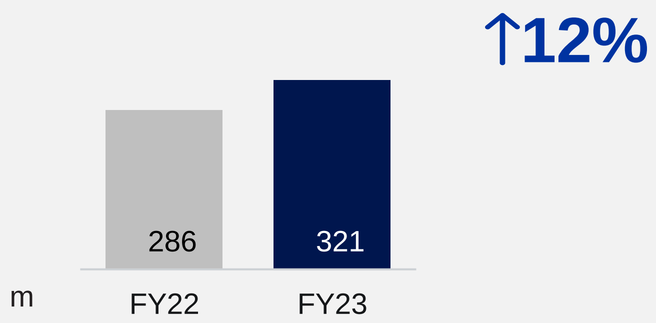


Africa Regions

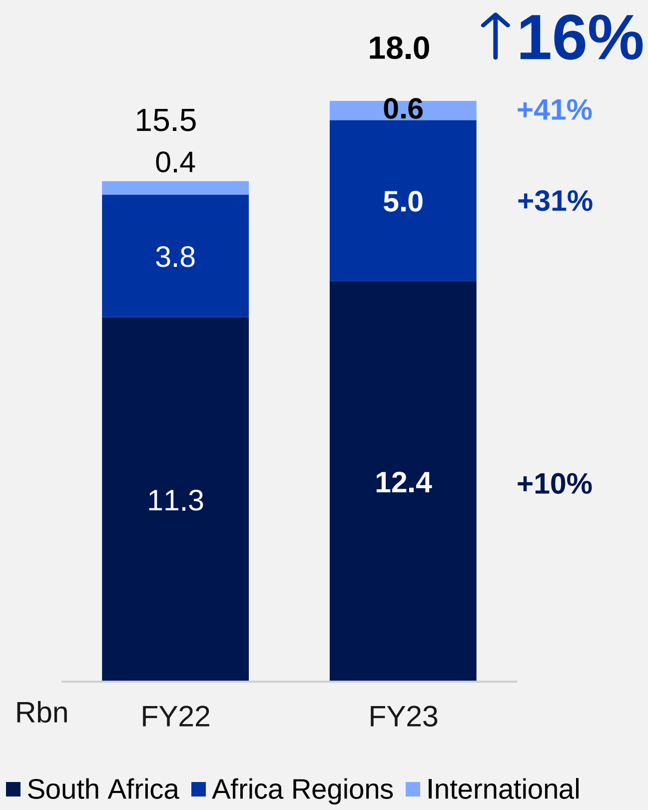
Active clients



Digital transactional volumes



NIR by geography, Rbn



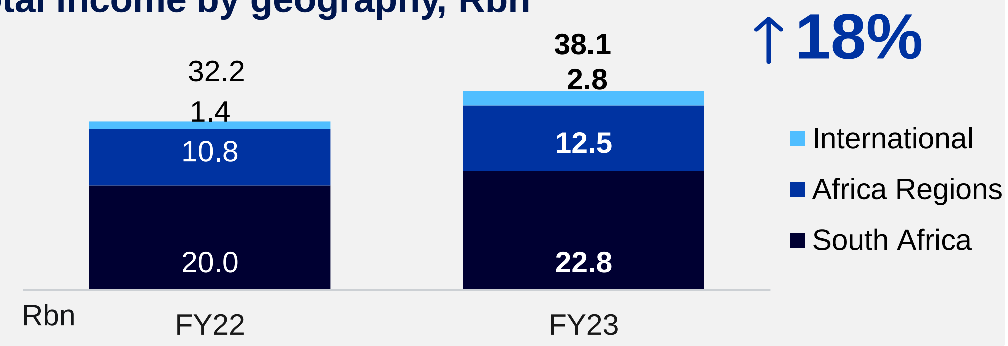
Business & Commercial Banking – key highlights

	FY23 Rbn	FY22[1] Rbn	Change %
Net interest income	25.5	20.2	26
Non-interest revenue	12.6	12.0	5
Total income	**38.1**	**32.2**	**18**
Operating expenses	(21.4)	(18.7)	14
Pre-provision profit	**16.7**	13.5	24
Credit impairment charges	(3.5)	(2.5)	41
Headline earnings	**9.3**	**7.4**	**27**
Credit loss ratio, bps	**156**	117	
Cost-to-income ratio, %	**56.1**	58.1	
Jaws, bps	**4.2**	n/a	
ROE, %	**37.0**	30.2	

Key drivers of performance

- **Total income** increase linked to deposit growth, higher average interest rates, higher transactional activity, strong growth in VAF Fleet rental income, improved trading activity and strong turnover growth in card acquiring and commercial card
- **Operating expenses** impacted by the elevated inflationary environment, continued investment in digital capabilities and increased business activities across the portfolio
- **Credit impairment charges** were higher due to the challenging macroeconomic environment and adverse currency impacts
- **Headline earnings** supported by client-led relationship strategy resulting in client franchise growth

Total income by geography, Rbn

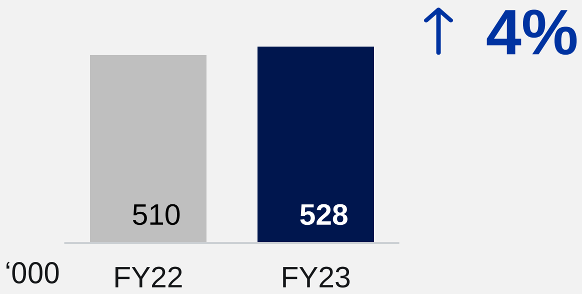


[1] *Prior year numbers restated, refer to FY23 Financial Analysis Booklet page 111-114*

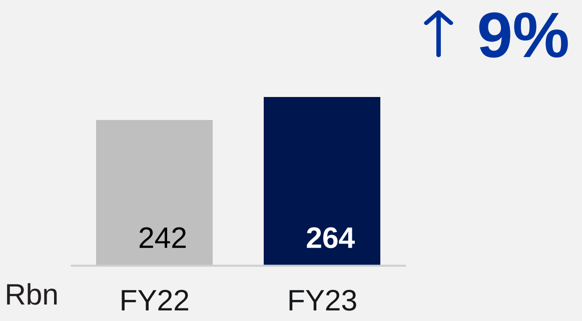
Business & Commercial Banking – franchise momentum

South Africa

Active clients

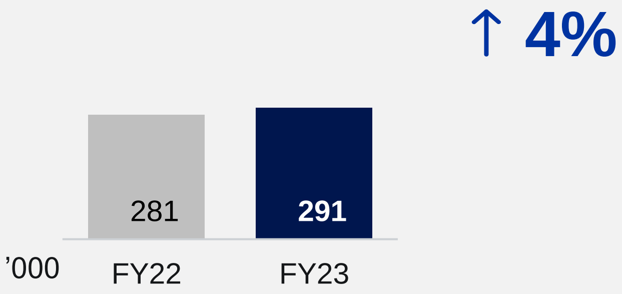


Card acquiring turnover

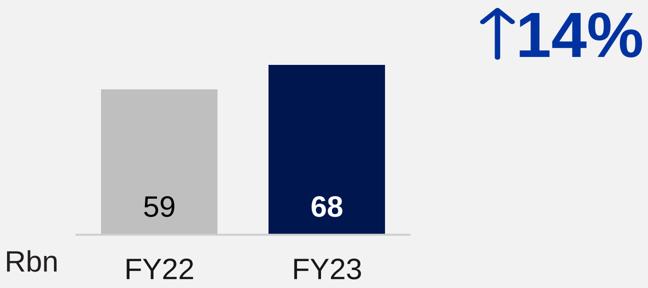


Africa Regions

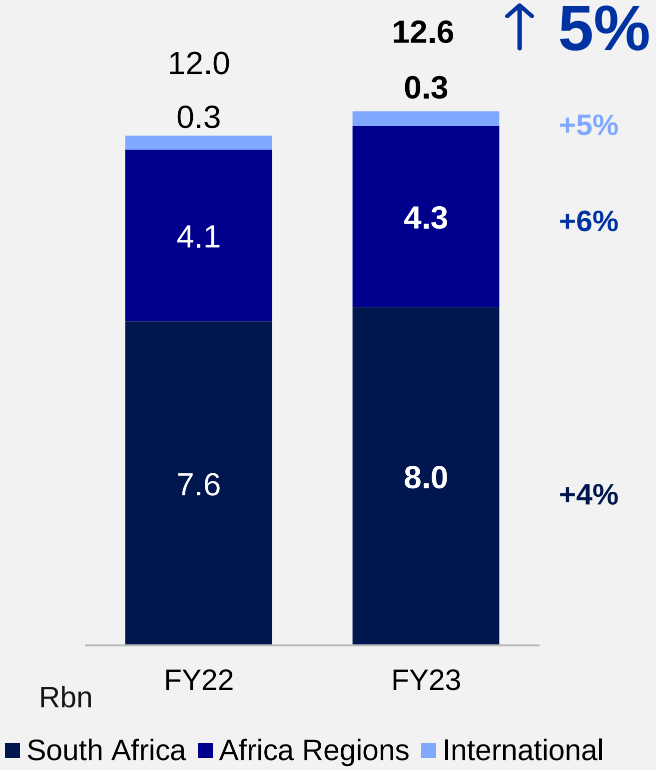
Active clients



Card acquiring turnover



NIR by geography, Rbn



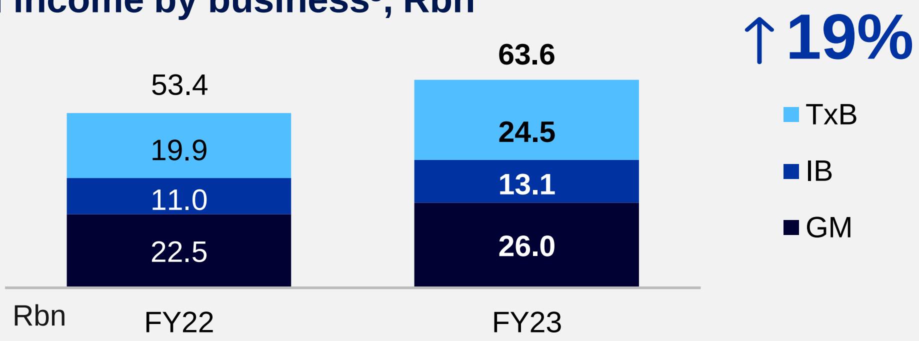
Corporate & Investment Banking – key highlights

	FY23 Rbn	FY22[1] Rbn	Change %
Net interest income	30.8	24.4	26
Non-interest revenue	32.8	29.0	13
Total income	**63.6**	**53.4**	**19**
Operating expenses	(29.0)	(24.9)	16
Pre-provision profit	**34.6**	**28.5**	**22**
Credit impairment charges	(1.7)	(2.5)	(34)
Headline earnings	**19.8**	**15.2**	**30**
Credit loss ratio[2], bps	**30**	37	
Cost-to-income ratio, %	**45.6**	46.7	
Jaws, %	**2.9**	n/a	
ROE, %	**22.3**	19.6	

Key drivers of performance

- **Total income** growth driven by balance sheet growth, positive endowment impact of higher interest rates, and strong trading revenues underpinned by increased client flow activity and risk management opportunities
- **Operating expenses** increase due to annual staff increases and performance-linked variable remuneration and investment in signature programmes to improve system stability and client experience
- **Credit impairment charges** declined due to the restructuring of Ghana government debt impaired in FY22
- **Headline earnings** growth underpinned by priorities of deliberately growing and defending CIB's diversified client franchise

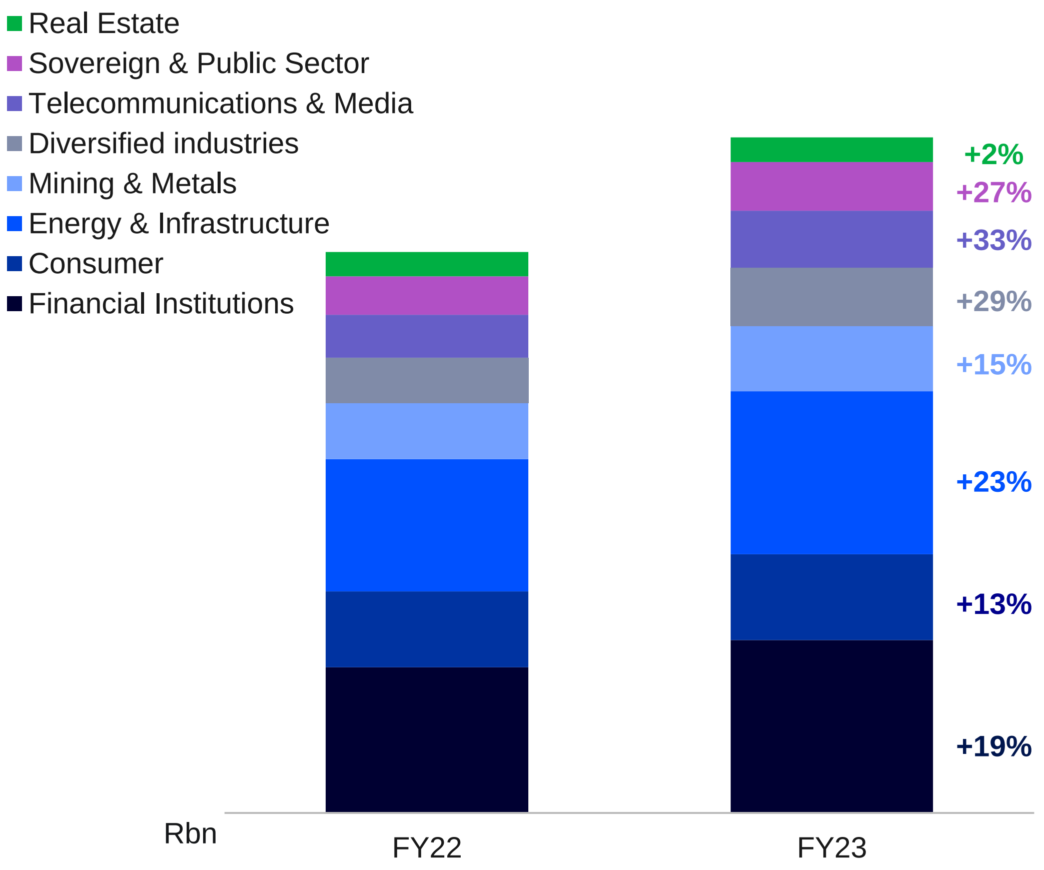
Total income by business[3], Rbn



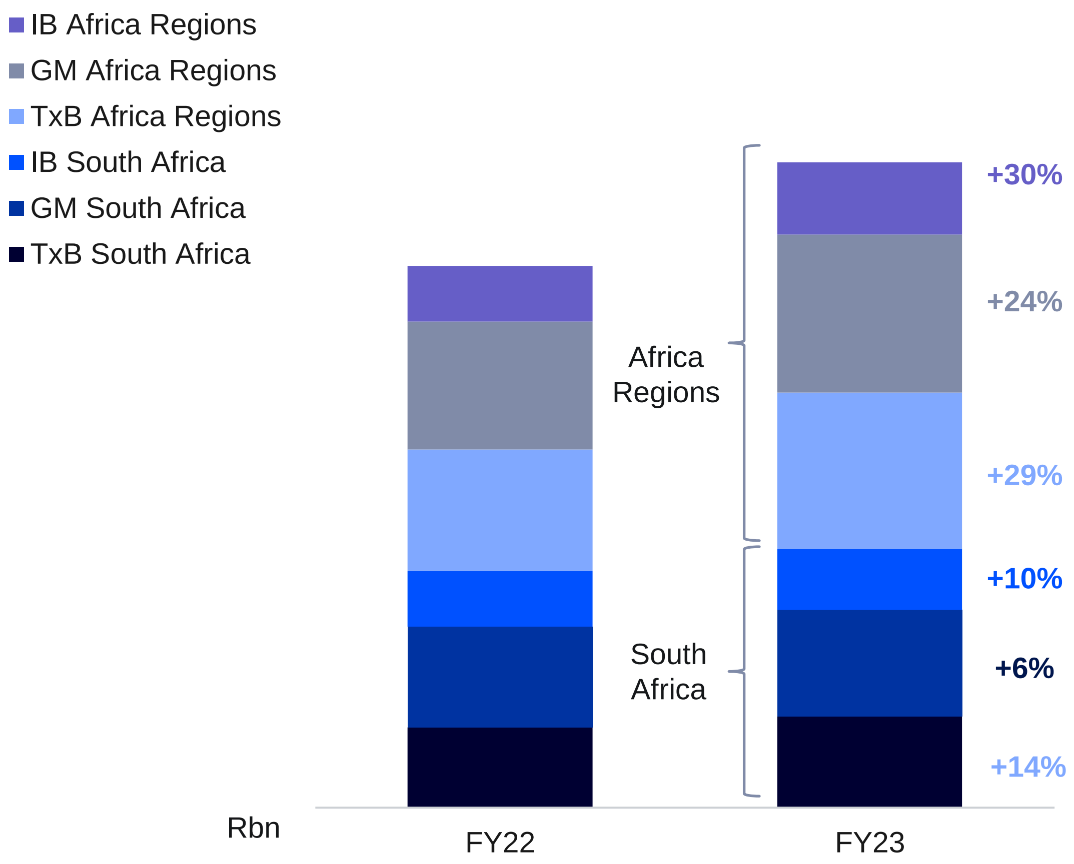
[1] Prior year numbers restated, refer to FY23 Financial Analysis Booklet page 111-114, [2] CLR to customers, [3] TxB – Transaction Banking, IB – Investment Banking, GM – Global Markets

Corporate & Investment Banking – client revenue

Client revenue by sector, +20%



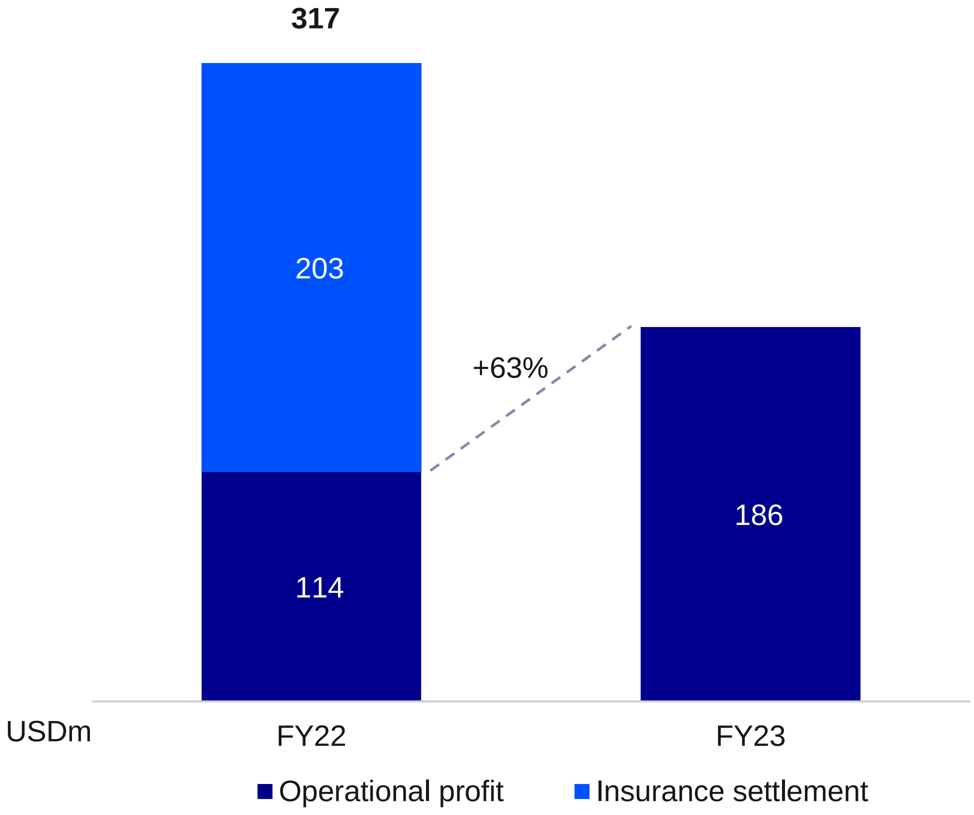
Total income by geography, +19%[1]



[1] *TxB – Transaction Banking, GM – Global Markets, IB – Investment Banking*

ICBC Standard Bank plc – strong underlying operational performance

ICBCS performance



SBG's share of earnings

	FY23	FY22
ICBCS earnings, USDm	**186**	317
@ % stake	*40%*	*40%*
SBG attributable earnings, USDm	**74**	**127**
ZAR/USD[1]	17.4	15.1
SBG attributable earnings, Rm	**1 286**	**1 917**

[1] *ICBCS attributable earnings converted at an average rate*

Disclaimer – Forward-looking statements

The Group may, in this document, make certain statements that are not historical facts and relate to analyses and other information which are based on forecasts of future results and estimates of amounts not yet determinable. These statements may also relate to our future prospects, expectations, developments and business strategies and have not been reviewed or reported on by the Group’s external auditors.

By their very nature, forward looking statements involve inherent risks and uncertainties, both general and specific, and there are risks that the predictions, forecasts, projections and other forward-looking statements will not be achieved. If one or more of these risks materialise, or should underlying assumptions prove incorrect, our actual results may differ materially from those anticipated. You should understand that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements.